Supreme Court, U.S
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No. _____

In The

Supreme Court of the United States

GARY SADERUP, an individual, and
GARY SADERUP, INC., a California corporation,

Petitioners,

v.

COMEDY III PRODUCTIONS, INC.,
a California corporation,

Respondent.

On Petition For A Writ Of Certiorari To The Supreme Court Of California

PETITION FOR A WRIT OF CERTIORARI

Of Counsel:
EDWARD C. WILDE SR.
BRAND L. COOPER
COOPER, KARDARAS
& KELLEHER LLP
141 East Walnut Street
Pasadena, CA 91103-3834
(626) 795-0814

STEPHEN R. BARNETT
Counsel of Record
Boalt Hall
College & Bancroft
Berkeley, CA 94720
(510) 654-5394

Attorneys for Petitioners

COCKLE LAW BRIEF PRINTING CO., (800) 225-6964
OR CALL COLLECT (402) 342-2831

QUESTIONS PRESENTED

1. Under the First and Fourteenth Amendments, may a state impose liability for violation of its "right of publicity" on artists who make and sell portraits of deceased celebrities, where the liability is imposed on the ground that the portraits lack "significant creative elements" and are "literal, conventional depictions"?

2. Should a conflict be allowed to persist between decisions of the California Supreme Court and the United States Court of Appeals for the Ninth Circuit that make opposing rules of First Amendment law which both are law for the same State?

3. Should the validity and breadth under the First Amendment of the restrictions imposed on speech by a State's "right of publicity" law extending 50 years (or 70 years) after a celebrity's death be reviewed by the courts under the "rational basis" test?

PARTIES BELOW

The parties before this Court are those set forth in the caption. They are the same parties that appeared in the California Supreme Court.

RULE 29.6 STATEMENT

Pursuant to Rule 29.6 of this Court, Petitioner Gary Saderup, Inc., states that it has no parent corporation, and there is no publicly held company that owns 10% or more of its stock.

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PETITION FOR A WRIT OF CERTIORARI TO THE SUPREME COURT OF CALIFORNIA

Petitioners request that a writ of certiorari issue to review the judgment and opinion of the Supreme Court of California entered in this case on April 30, 2001.

OPINIONS BELOW

The opinion of the California Supreme Court (Appendix A),[1] entered April 30, 2001, is reported at 25 Cal. 4th 387 and 2001 Cal. LEXIS 2609. The opinion of the California Court of Appeal, entered December 15, 1998 (Appendix B), is reported at 68 Cal. App. 4th 744 (advance sheets) and 1998 Cal. App. LEXIS 1036. The judgment of the Superior Court for the County of Los Angeles (Appendix C) is unreported.

JURISDICTION

The judgment of the California Supreme Court was entered on April 30, 2001. On July 20, 2001, Justice O'Connor extended the time for filing a petition for a writ of certiorari to and including August 28, 2001. The jurisdiction of this Court is invoked under 28 U.S.C. § 1257(a).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

Former section 990 of the California Civil Code (now Cal. Civil Code § 3344.1, with amendments) is set forth in Appendix D. The First Amendment to the United States Constitution is set forth, in pertinent part, in Appendix E.

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[1] References to "Appendix," or "App.," refer to the Appendices to this Petition.

STATEMENT OF THE CASE

1. The Statute

Former section 990 of the California Civil Code[2] embodies California's "right of publicity" for "deceased personalit[ies]."[3] The statute provides in part:

> (a) Any person who uses a deceased personality's name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods, or services, without prior consent from the [assignees or heirs of the deceased personality], shall be liable for any damages sustained . . . . [Sec. 990(a).]

In addition, the statute requires an award of "any profits" from the unauthorized use; authorizes an award of punitive damages, without limit; and entitles the prevailing party to attorneys' fees and costs. Sec. 990(a). Liability under section 990 is subject to exemptions that include use of a deceased personality's name, likeness, or other attribute "in connection with any news, public affairs, or sports broadcast or account, or any political campaign" (sec. 990(j)); and use in (1) "[a] play, book, magazine, newspaper, musical composition, film, radio or television program . . . "; (2) material of "political or newsworthy value"; (3) "[s]ingle and original works of fine art"; and

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[2] *See* App. D. Since this case arose the statute has been renumbered, with amendments, as Cal. Civil Code § 3344.1. *See* A-1, n.1. (Citations such as "A-1" refer to page numbers within the Appendices to this Petition.) Like the California Supreme Court, *id.*, we will refer throughout to section 990, in the present tense.

[3] A "deceased personality" is defined as "any natural person whose name, voice, signature, photograph, or likeness has commercial value at the time of his or her death." Sec. 990(h).

(4) advertisements for permitted uses. Sec. 990(n); *see* App. D.

Under section 990 at the time this case arose, the right of publicity for deceased personalities continued 50 years after the personality's death. Sec. 990(g). The statute has since been amended to increase the post mortem period to 70 years. Cal. Civ. Code § 3344.1(g); *see* A-4, n.3.

2. The Facts and Lower Court Decisions

Respondent Comedy III Productions owns the statutory rights to the former comedy act known as the Three Stooges, which performed in vaudeville and then in movie shorts from the 1920's to the 1940's. A-16. The Three Stooges were characters known as Larry, Moe, and Curly, which were created and played by Larry Fine, Moe Howard, and Jerome (Curly) Howard. A-16.[4] Moe Howard and Larry Fine died in 1975, and Jerome Howard died in 1952. J.A., vol. I, at 162.[5]

Petitioner Gary Saderup is an artist with over 25 years' experience in making charcoal drawings of celebrities. He made a charcoal drawing of the Three Stooges, without Respondent's consent; he then reproduced the drawing as lithographs and silkscreened images on T-shirts and sold them, gaining profits of $75,000. Neither the lithographs nor the T-shirts constituted an advertisement, endorsement, or sponsorship of any product. A-5 – A-6.

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[4] The California Supreme Court gives the name as Larry "Fein" (*e.g.*, A-16), but that evidently is incorrect. *See, e.g.*, J.A., vol. I, at 8 (Complaint). ("J.A." refers to the Joint Appendix in the California Court of Appeal and California Supreme Court.)

[5] A fourth Stooge was Curly-Joe DeRita , who died in 1993. J.A., vol. I, at 162. Petitioner Saderup's portrait at issue in this case (App. A, Appendix I) depicts the characters played by Larry Fine, Moe Howard, and Jerome Howard. J.A., vol. II, at 232-234.

Respondent brought this action against Petitioners, Saderup and his corporation (collectively Saderup), seeking damages and injunctive relief for violation of section 990 and related torts. The parties submitted the case to the trial court for decision on stipulated facts. A-5; J.A., vol. I, at 169-171.

The trial court found for Respondent, ruling that Petitioners' lithographs and T-shirts were "not protected by the First Amendment." C-4. The court entered judgment against Petitioners for the $75,000 in Petitioners' profits (C-4 – C-5),[6] plus attorneys' fees of $150,000. C-6.[7] The court also issued an injunction. C-5 – C-6.

On Petitioners' appeal, the Court of Appeal struck the injunction (without suggesting that injunctions are not available under sec. 990), but otherwise affirmed. B-18; App. B. The court concluded that "defendants seek protection for nothing more than the general sale of likenesses of the Three Stooges – that is, plaintiff's property." B-16.

3. The Decision of the California Supreme Court

The California Supreme Court affirmed. The court first found that Petitioners' conduct came within the statutory language, "on or in products, merchandise, or goods." Sec. 990(a). The court explained:

> . . . Saderup sold more than just the incorporeal likeness of The Three Stooges. Saderup's lithographic prints of The Three Stooges are themselves tangible personal property, consisting of paper and ink, made as products to be

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[6] The required award of "any profits" from the unauthorized use (§ 990(a)) evidently allows nothing for any contribution to profits made by Saderup's artwork.

[7] By an order of July 25, 2001, the trial court augmented the attorney's-fee award by $80,000.

> sold and displayed on walls like similar graphic art. [A-9.][8]

The court thus endorsed the trial court's statement that " 'the product consists of the likeness.' " A-9, n.6.

On the constitutional issue, the court – discussing only the First Amendment, not the California Constitution – began by noting that "[t]he right of publicity is often invoked in the context of commercial speech . . . "; but since Saderup's portraits of the Stooges "are expressive works and not an advertisement for or endorsement of a product," the present case "does not concern commercial speech," the court found. A-10. True, Saderup's work "was done for financial gain," but " '[a]n expressive activity] does not lose its constitutional protection because it is undertaken for profit,' " the court declared. A-10 – A-11 (bracketed words in original; citation omitted).

The court noted other aspects of Saderup's drawings that likewise did not compromise their First Amendment protection: (1) that their purpose was "entertaining rather than informing";[9] (2) that they took the form of "nonverbal, visual representation";[10] (3) that the work "conveys no

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[8] The court added: "Saderup's T-shirts are likewise tangible personal property. . . . " A-9.

[9] A-13 – A-14 (citing *Guglielmi v. Spelling-Goldberg Prods.*, 25 Cal.3d 860, 867 (1979) (Bird, C.J., concurring)).

[10] A-14 (citing *Bery v. City of New York*, 97 F.3d 689 (2d Cir. 1996), *cert. denied*, 520 U.S. 1251 (1997)). The court quoted from *Bery*:

> Such myopic vision [of the City and district court] not only overlooks case law central to First Amendment jurisprudence but fundamentally misperceives the essence of visual communication and artistic expression. Visual art is as wide ranging in its depiction of ideas, concepts and emotions as any book, treatise, pamphlet or other writing, and is similarly entitled to full First Amendment protection. . . . One cannot look at Winslow Homer' s

discernable message";[11] and (4) that it appeared on T-shirts, "a less conventional avenue of communications." A-15. The court thus recognized "the high degree of First Amendment protection for noncommercial speech about celebrities." A-16.

Turning to the right of publicity, the court found a "protectible interest" of celebrity heirs and assigns that could be conceived either as "a kind of natural property right or as an incentive for encouraging creative work," such as the "creative labor" of Moe and Jerome Howard and Larry Fine "over a period extending from the 1920's to the 1940's." A-16 – A-17. Thus, "there is no question that the Legislature has a rational basis for permitting celebrities and their heirs to control the commercial exploitation of the celebrity's likeness," the court held. A-17.

In formulating, therefore, "a balancing test between the First Amendment and the right of publicity," the court rejected suggestions for a "wholesale importation" into publicity law of the fair use defense from copyright law. A-2, A-23. But the court did find the first of the four statutory fair use factors, "the purpose and character of the use" (17 U.S.C. § 107(1)), to be pertinent; and it selected one inquiry under the first factor, whether a work is "transformative," as "necessarily at the heart of any judicial attempt to square the right of publicity with

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> paintings on the Civil War without seeing, in his depictions of the boredom and hardship of the individual soldier, expressions of anti-war sentiments, the idea that war is not heroic. [97 F.3d at 695 (elision in original), quoted at A-14 – A-15.]

[11] A-15. The court quoted from *Hurley v. Irish-American Gay, Lesbian, and Bisexual Group of Boston, Inc.*, 515 U.S. 557, 569 (1995): " '[A] narrow, succinctly articulable message is not a condition of constitutional protection, which if confined to expressions conveying a 'particularized message,' would never reach the unquestionably shielded painting of Jackson Pollock, music of Arnold Schoenberg, or Jabberwocky verse of Lewis Carroll.' " (Citation omitted (in original); quoted at A-15.)

the First Amendment." A-24. The question was whether the artist had produced "literal, conventional depictions" or, rather, had added "significant creative elements." A-32, A-2.[12]

Applying these tests to Saderup's portrait of the Stooges, the court noted his "undeniable skill" but could discern "no significant transformative or creative contribution." A-32. If Saderup's depictions were protected by the First Amendment, then "we cannot perceive how the right of publicity would remain a viable right other than in cases of falsified celebrity endorsements," the court said. A-32. The court stipulated, however, that it was not

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[12] The court offered a number of formulations: *e.g.*, A-27 – A-28 ("whether the celebrity likeness is one of the 'raw materials' . . . [or rather] the very sum and substance" of the work); A-28 (whether the work "has become primarily the defendant's own expression rather than the celebrity's likeness"; A-28 (whether the work is a "literal depiction" of the celebrity, "even if accomplished with great skill"); A-28 ("whether the literal and imitative or the creative elements predominate in the work"); A-29 (whether the work contains "significant transformative elements"; A-29 ("does the marketability and economic value of the challenged work derive primarily from the fame of the celebrity depicted?"); A-31 (whether the artist has "contribute[d] something more than a 'merely trivial' variation, . . . something recognizably 'his own' ") (citation and some quotation marks omitted).

(This last formulation is not, as the court says (A-31), a test for "fair use" in copyright law; it is a test for copyrightability. *See* the case the court cites, *L. Batlin & Son, Inc. v. Snyder*, 536 F.2d 486, 490 (2d Cir. 1976) (*en banc*). Under this test it is clear that Saderup's drawing of the Stooges, as a freehand work not claimed to be copied, would qualify for federal copyright protection. *See, e.g., Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 60 (1884) (photograph copyrightable); *Bleistein v. Donaldson Lithographic Co.*, 188 U.S. 239, 250 (1903) (circus posters copyrightable, as is "least pretentious picture"). Saderup avers that his drawing is protected by copyright. J.A., vol. I, at 31 (Answer to Complaint).)

imposing liability on "all reproductions of celebrity portraits" and said it might well protect "the [s]ilkscreens of Andy Warhol." A-31. The court acknowledged that its distinction "will sometimes be subtle," but said it would be "no more so than other distinctions triers of fact are called on to make in First Amendment jurisprudence," citing *Miller v. California*, 413 U.S. 15, 24 (1973). A-32.

This petition followed.

REASONS FOR GRANTING THE WRIT

The Court is called on in this case to determine for the first time the extent to which the First Amendment limits a State's power to impose liability under the "right of publicity" for works of visual art depicting deceased celebrities. The California Supreme Court has held that an artist who draws a portrait of deceased celebrities and sells the portrait as lithographs or T-shirt images is liable to the celebrities' heirs for "using" the "likenesses" of the deceased, unless judges find that the portrait added "significant creative elements" and was "sufficiently transformative." This right of the heirs continues, under current California law, for 70 years after the celebrity's death. The ruling of the California Supreme Court significantly expands the right of publicity, adding a new meaning of "commercial" use. The ruling subjects to the threat of damage awards (including punitive damages) not only portrait artists like Petitioner Saderup, but also, among others, professional photographers who sell photos of celebrities. The decision's impact on visual art is especially chilling because of the vagueness, subjectivity, and elitism built into the court's concept of art that is "creative" or "transformative." Judges become art critics.

The resulting uncertainty about the law's command is increased because the rule adopted and applied by the California Supreme Court in this case conflicts with the rule adopted and applied almost simultaneously by the Ninth Circuit Court of Appeals in *Hoffman v. Capital*

Cities/ABC, Inc., 255 F.3d 1180 (9th Cir., July 6, 2001) (reproduced in Appendix F). The California court's decision conflicts as well with the First Amendment standards applied by two other U.S. Circuit Courts of Appeals; by this Court last Term in *Bartnicki v. Vopper*, 121 S.Ct. 1753; and – in using the "rational basis" test to review a restriction on speech – by this Court in virtually every First Amendment case it has decided.

I.

THE RULE FOR FIRST AMENDMENT PROTECTION OF NONCOMMERCIAL SPEECH AGAINST RIGHT-OF-PUBLICITY CLAIMS ANNOUNCED AND APPLIED BY THE CALIFORNIA SUPREME COURT CONFLICTS WITH THE RULE ANNOUNCED AND APPLIED BY THE NINTH CIRCUIT

The ruling of the California Supreme Court in this case conflicts with the ruling issued a little more than two months later by the United States Court of Appeals for the Ninth Circuit in *Hoffman v. Capital Cities/ABC, Inc.*, *supra* (App. F). In *Hoffman*, the court reversed a judgment for violation of actor Dustin Hoffman's right of publicity. Although the facts of this case and *Hoffman* are distinguishable,[13] the rules for First Amendment protection against right-of-publicity claims adopted and applied by the two courts are in plain conflict. Those rules would produce opposing results on the facts of this case: Petitioners would have in the Ninth Circuit the First Amendment protection they were denied in the California Supreme Court.

In *Hoffman*, *Los Angeles Magazine* (LAM) published a "Hollywood Issue" containing an article, entitled "Grand Illusions," that altered still photos of actors from famous

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[13] Certain famous books and films aside, it is rare in speech cases for more than one case to involve the same speech.

movies to make it appear that the actors were wearing the latest designer fashions. One of the stills showed Dustin Hoffman in "Tootsie," wearing a red sequined evening dress and high heels; the LAM version kept Hoffman's head but replaced his body with that of a male model in a similar pose, wearing a new evening dress by Richard Tyler and high-heeled sandals by Ralph Lauren. F-2 – F-3.[14]

In Hoffman's suit for violation of California's statutory (Civ. Code § 3344) and common law right of publicity for live celebrities, the trial court awarded him $1.5 million in compensatory damages and another $1.5 million in punitive damages, plus $270,000 in attorneys' fees. F-3 – F-4. The Ninth Circuit reversed, ruling that LAM's use of Hoffman's likeness was protected by the First Amendment.

The court first decided that since the photo appeared in a feature article and not in an advertisement, it was "not commercial speech," and LAM therefore was entitled to "full First Amendment protection." F-8 – F-10. The measure of that protection was the rule derived from *New York Times Co. v. Sullivan*, 376 U.S. 254, 279-280 (1964): "[A] public figure such as Hoffman can recover damages from a media organization such as LAM only by proving 'actual malice,' " meaning " 'reckless disregard for the truth' " or a " 'high degree of awareness of probable falsity.' " F-10 (citations omitted). The court found no such disregard or awareness by LAM, either on the question whether Hoffman had posed for the altered photo or on the question whether Hoffman had somehow approved the photo. F-11 – F-16 & n.3.

This case and *Hoffman* thus both involve admittedly "noncommercial" speech, done for profit, which used a celebrity's likeness. The California Supreme Court held

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[14] The text identified the still as from "Tootsie" and read, "Dustin Hoffman isn't a drag in a butter-colored silk gown by Richard Tyler and Ralph Lauren heels." F-3.

that such speech is not protected by the First Amendment unless it adds "significant creative elements" and is "transformative." A-2, A-24. The Ninth Circuit held that such speech has "full First Amendment protection" unless the celebrity can show "actual malice." F-10. The two decisions thus pronounce and apply conflicting rules on an important question of federal law.

It is true that on the facts of *Hoffman*, the two rules might not produce different results. The *Hoffman* court in fact discussed this case and suggested that LAM's publication of the "Tootsie" photo might have contained enough "transformative elements" to meet the California Supreme Court's test. F-5 – F-6, n.2. On the facts of *this case*, however, the conflict cannot be thus avoided. Petitioners were held liable because Saderup's portrait of the Stooges did not satisfy the California court's "transformative" test; in the Ninth Circuit they would not have been liable unless Respondent could prove actual malice.[15]

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[15] As the *Hoffman* court categorically said, "a public figure such as Hoffman can recover damages for noncommercial speech from a media organization such as LAM only by proving 'actual malice.' " F-10. There is little chance Respondent could escape this rule by claiming Petitioners are not a "media organization." At least six members of this Court have rejected, in the context of defamation law, "a distinction drawn between media and non-media defendants." *Dun & Bradstreet, Inc. v. Greenmoss Builders, Inc.*, 472 U.S. 749 (1985); *id.* at 765, 773 (White, J., concurring); *id.* at 774, 781-784 (Brennan, J., dissenting). And it is now recognized – as did the *Hoffman* court, in accord with Ninth Circuit precedent – that the rule requiring "actual malice" is not limited to the context of defamation law. *See Hustler Magazine, Inc. v. Falwell*, 485 U.S. 46, 56 (1988); *Dworkin v. Hustler Magazine, Inc.*, 867 F.2d 1188, 1196 n.5 (9th Cir. 1989) ("Especially after *Falwell*, it seems likely that the requirement that the speech contain a false statement of fact applies not just to defamation claims, but to all claims seeking to impose civil liability for speech not otherwise outside the

Moreover, this is not a case where it may be suggested that in a large nation, comprising more than 60 state and federal jurisdictions, there is no great harm in allowing an inter-jurisdictional conflict to persist. We have here an unusual and pernicious kind of conflict, in which the opposing rules both are law for the same State. This conflict means, not that the law you get depends on which state or circuit you are in, but that the law you get within the same state depends on which court you are in, state or federal. The State in question, moreover, is California, source of much of the nation's media speech and home of many of its entertainment celebrities. It is a place where conflicting rules of law concerning permissible portraits, photographs, and other visual representations of celebrities are likely to have widespread and substantial chilling effects on protected speech.[16]

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protection of the first amendment") (citing *Gertz v. Robert Welch, Inc.*, 418 U.S. 323, 348 (1974)).

[16] The decision in this case also conflicts with the district court's decision in *ETW Corp. v. Jireh Publishing, Inc.*, 99 F. Supp. 2d 829 (N.D.Ohio 2000), *appeal pending*, 6th Cir. (No. 00-3584) (set for argument Sept. 14, 2001). That case involves a painting by "sports artist" Rick Rush of golfer Eldrick "Tiger" Woods, showing Woods in three positions, flanked by two caddies. The painting was reproduced and offered for sale in 5,000 prints. The court granted summary judgment for the defendant, relying on the First Amendment and citing cases such as *Hurley, supra*, 515 U.S. 557, 569; *Kaplan v. California*, 413 U.S. 115, 119-120 (1973) ("As with pictures, films, paintings, drawings, and engravings, both oral utterance and the printed word have First Amendment protection. . . . "); and *Bery, supra*. 97 F.3d at 695. The California Supreme Court in this case acknowledged its disagreement with the *ETW* court's view of First Amendment protection for artwork, but observed that the painting in *ETW* might be "exempt from California's right of publicity" under the court's "transformative" test (or the statutory exemption for news). A-28, n.11. The court thus presumably would decide whether Rick Rush's portrait of Tiger

II.

THE RULING OF THE CALIFORNIA SUPREME COURT CONFLICTS WITH THE TENTH CIRCUIT'S *CARDTOONS* DECISION ON THE STANDARDS FOR WEIGHING THE RIGHT OF PUBLICITY AGAINST THE FIRST AMENDMENT; WITH THIS COURT'S *BARTNICKI* DECISION ON THE STANDARDS FOR WEIGHING A COUNTERVAILING INTEREST AGAINST THE FIRST AMENDMENT; WITH THE SECOND CIRCUIT'S *BERY* DECISION ON THE STANDARDS FOR ASSESSING FIRST AMENDMENT PROTECTION OF VISUAL ART; AND WITH VIRTUALLY EVERY FIRST AMENDMENT DECISION OF THIS COURT IN APPLYING THE RATIONAL-BASIS TEST TO A RESTRICTION OF SPEECH

A. Tenth Circuit: *Cardtoons*

The ruling of the California Supreme Court in this case conflicts also with the ruling of the Tenth Circuit in *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959 (10th Cir. 1996). Although the facts of the speech are again distinguishable – *Cardtoons* involved parody baseball cards, which the California court might have found "transformative" (*see* A-26) – the two courts apply diametrically different standards for weighing right-of-publicity challenges to noncommercial speech against the protections of the First Amendment.

The Tenth Circuit in *Cardtoons*, observing that Oklahoma's right-of-publicity statute was "virtually identical to California's," found that the baseball cards "infringe[d] upon [the baseball players'] property rights" under the statute; the court thus faced the question "whether Cardtoons has a countervailing First Amendment right to publish the cards." 95 F.3d at 968. The court

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Woods contained "creative elements" that were lacking in Gary Saderup's portrait of the Three Stooges.

began with some of the same points made by the California court here.[17] Then, to balance the speech restriction against the "asserted governmental interest in protecting the intellectual property right," the court first examined "the importance of Cardtoons' right to free expression" and then the value of the ballplayers' right of publicity. *Id.* at 972.

The court first considered "economic" justifications for the right of publicity, such as providing an incentive for athletic and artistic achievement; it found these incentives "overstated" and "not nearly as important as those created by copyright and patent law." *Id.* at 973-974. The court examined two other economic arguments for the right of publicity – efficiency and consumer protection – and proceeded to several non-economic arguments, which it found "no more compelling than the economic arguments." *Id.* at 976. Thus, "[b]ecause Cardtoons' First Amendment right to free expression outweighs [the ballplayers'] proprietary right of publicity" (*id.* at 962), the judgment for Cardtoons was affirmed.

The California Supreme Court in this case also employed a "balancing test" (A-2), but with a heavy thumb on the scale.[18] In contrast to the Tenth Circuit's

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[17] The cards were "no less protected" because they were "[s]peech that entertains" rather than "speech that informs" (95 F.3d at 969); trading cards were protected even if "not a traditional medium of expression" (*id.*); it made no difference that the cards were "merchandise" and were sold (*id.* at 969-970); and the cards "are not commercial speech – they do not merely advertise another unrelated product." *Id.* at 970. On the last two points, the court stated: "[W]e see no principled distinction between speech and merchandise that informs our First Amendment analysis. The fact that expressive materials are sold neither renders the speech unprotected nor alters the level of protection under the First Amendment." *Id.* (citations omitted).

[18] The First Amendment interest was denied value unless the speech was "transformative," while the right-of-publicity

searching inquiry, the California court took the publicity interest as a full and unquestioned given, simply because it bore the stamp of the state legislature and, remarkably, because it assertedly passed the "rational basis" test.[19] The California court treated the right of publicity as an interest of equal rank and dignity with copyright (A-16), while the Tenth Circuit concluded that "[t]he justifications for the right of publicity are not nearly as compelling as those offered for other forms of intellectual property. . . . " 95 F.3d at 976.[20]

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interest was given a free pass because it had been endorsed by the legislature. A-17, A-33; *see infra* note 19.

[19] "[T]here is no question that the Legislature has a rational basis for permitting celebrities and their heirs to control the commercial exploitation of the celebrity's likeness." A-17; see also *id.* ("society may recognize, as the Legislature has done here . . . "); A-28 (court's test "reflects a recognition that the Legislature has granted. . . . "). In contrast, even this Court's test for commercial speech requires appraising whether the asserted governmental interest is "substantial" and whether the regulation is "more extensive than necessary" to serve that interest. *Greater New Orleans Broadcasting Ass'n, Inc. v. United States*, 527 U.S. 173, 183 (1999) (quoting *Central Hudson Gas & Elec. Corp. v. Public Serv. Comm'n of New York*, 447 U.S. 557, 566 (1980)). And for noncommercial speech, such as that in this case, the governmental interest in a content-based regulation must be "compelling," and the regulation "narrowly tailored" to serve that interest. *See, e.g., Reno v. ACLU*, 521 U.S. 844, 879 (1997).

[20] This Court, in its one "right of publicity" decision to date – which was not a typical right-of-publicity case – likewise looked carefully at the strength of the proprietary interest being asserted. *See Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562, 576 (1977): "[I]n this case, Ohio has recognized what may be the strongest case for a 'right of publicity' – involving, not the appropriation of an entertainer's reputation to enhance the attractiveness of a commercial product, but the appropriation of the very activity by which the entertainer acquired his reputation in the first place."

In addition to these conflicting standards, there are two specific ways in which the "balancing test" employed by the California court in this case conflicts with the test employed by the Tenth Circuit in *Cardtoons*:

* *Incentives for the dead.* A central part of the Tenth Circuit's analysis consisted of weighing the incentives that the right of publicity assertedly provides for creativity and achievement. *Id.* at 973-975. If the California Supreme Court had engaged in any such appraisal, it would have had to take account of a salient fact about this case: The Three Stooges are dead, and have been for more than 25 years. J.A., vol. I, at 162. Therefore, giving Respondent the right to "monopolize" (A-26) pictures of the Stooges is unlikely to induce more "creative labor" from the Stooges, nor to add much to the incentives that operate on living celebrities; but that monopoly does impose a 70-year burden on the public domain. Other States and authorities have recognized that death makes a difference in publicity law.[21] In failing to take any note of the Stooges' deceased status and of the impact this might

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On the questionable value of the right of publicity, both independently and in its conflict with the First Amendment, *see, e.g., White v. Samsung Electronics America, Inc.*, 989 F.2d 1512 (9th Cir.) (Kozinski, J., dissenting from denial of *en banc* rehearing), *cert. denied*, 508 U.S. 591 (1993). Michael Madow, *Private Ownership of Public Image: Popular Culture and Publicity Rights*, 81 Cal.L.Rev. 125 (1993).

[21] *See* Restatement (Third) of Unfair Competition (1995), § 46, Comment h, at 534-535 ("the dignitary and proprietary interests that support the recognition of a right of publicity become substantially attenuated after death"); *id.*, § 47, Comment d, at 551 ("Since the personal and proprietary interests underlying the right of publicity [internal citation omitted] diminish after death, more substantial appropriations may be permissible after the death of the identified person even in jurisdictions in which the right is descendible"); *id.*, Reporters' Note, at 558 (same, citing *Estate of Presley v. Russen*, 513 F. Supp. 1339 (D.N.J. 1981)).

have on the strength of the right-of-publicity claims in this case, the California Supreme Court's analysis conflicted with that of *Cardtoons* (as well as being constitutionally deficient in its own right, *see infra* Part III).[22]

* *Speech that is sold.* The California Supreme Court and the Tenth Circuit both recognized that the First Amendment protects speech that is sold. As the California court put it, "Although [Saderup's] work was done for financial gain, 'the First Amendment is not limited to those who publish without charge.' " A-10 – A-11; *see Cardtoons*, 95 F.3d at 970. But while the Tenth Circuit adhered to this principle, the California court took it back. In ruling that the right of publicity "outweigh[ed]" Saderup's First Amendment rights, the court relied on the fact that his art was done "for commercial gain." A-25; *see also id.*, n.9 ("for financial gain").[23] This is contrary to

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[22] *See also Memphis Development Foundation v. Factors Etc., Inc.*, 616 F.2d 956, 958-960 (6th Cir. 1980) (Merritt, J.) (holding, as a matter of then-Tennessee law, that the right of publicity "should not be given the status of a devisable right"): "The desire to exploit fame for the commercial advantage of one's heirs is by contrast a weak principle of motivation"; "Does the right cover posters or engraved likenesses of, for example, Farah Fawcett Majors or Mahatma Gandhi, kitchen utensils ('Revere Ware'), insurance ('John Hancock'), electric utilities ('Edison'), a football stadium ('RFK'), a pastry ('Napoleon'), or the innumerable urban subdivisions and apartment complexes named after famous people? Our legal system normally does not pass on to heirs other similar attributes. . . . Fame falls in the same category as reputation; it is an attribute from which others may benefit but may not own"; "Fame . . . always depends on the participation of the public in the creation of an image"; "The memory, name and pictures of famous individuals should be regarded as a common asset to be shared, an economic opportunity available in the free market system."

[23] On this ground the court denied Petitioners the benefit of the "commerciality" inquiry under copyright's first fair use factor. *Id.*, n.9. The result is that speech by right-of-publicity

this Court's "well settled" principle that "a speaker is no less a speaker because he or she is paid to speak." *Riley v. National Federation of the Blind of North Carolina*, 487 U.S. 781, 801 (1988); *accord, e.g., Lakewood v. Plain Dealer Publishing Co.*, 486 U.S. 750, 756 n.5 (1988).

B. *Bartnicki*

Also in conflict with the California Supreme Court's way of balancing a First Amendment interest against a countervailing interest is this Court's decision last Term in *Bartnicki v. Vopper*, 121 S.Ct. 1753 (2001).

Bartnicki involved a conflict between the First Amendment and the interest in privacy, as embodied in prohibitions on interception and disclosure of cell phone conversations. In striking the balance, the Court weighed critically the two interests identified by the Government as served by the statute. 121 S.Ct. at 1762-1764. The Court concluded that "[i]n this case, privacy concerns give way when balanced against the interest in publishing matters of public importance." *Id.* at 1765. Justice Breyer's concurring opinion, joined by Justice O'Connor, described the privacy interests as of "constitutional" stature, but asked whether the restrictions imposed on speech were "disproportionate" and concluded that they were. *Id.* at 1766-1767.

The balancing tests employed by both the Court and Justice Breyer in *Bartnicki* differ markedly from those

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defendants gets less protection from the California court than speech by prima facie copyright infringers gets from this Court under the fair use defense of copyright law. *See Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 585 (1994) (effect of "commerciality" under first factor "will vary with the context"; use of work "to advertise a product, even in a parody, will be entitled to less indulgence under the first factor . . . than the sale of a parody for its own sake"). Petitioners, of course, were not using a work to advertise a product.

used by the California Supreme Court here. No one claims that the right of publicity has constitutional stature, yet the California court declined to question either the strength of the interest or its post mortem scope, because "the Legislature has a rational basis" for adopting it. A-17. Nor did the court consider whether the speech restriction imposed by the publicity claim in this case was "disproportionate" to the interest in free expression.[24]

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[24] The California Supreme Court's decision also conflicts, on the standards for determining the extent of First Amendment protection for works of visual art, with the decision of the Second Circuit in *Bery v. City of New York*, 97 F.2d 689 (1996), *cert. denied*, 520 U.S. 1251 (1997). The court in *Bery* struck down an ordinance requiring visual artists to get licenses to sell their work in public places. While the California court here quoted *Bery* on the First Amendment protection of "nonverbal, visual representation" (A-14 – A-15, quoting 97 F.3d at 695), the court's decision conflicts with *Bery* in at least three ways:

(1) First Amendment Standard. The *Bery* court, having determined that the artists' work was entitled to "full First Amendment protection" (97 F.3d at 696), turned to the "appropriate constitutional test" (*id.*); was unsure whether the ordinance was content-neutral or not; but found it invalid even under the less stringent "narrow tailoring" test for content-neutral regulations. *Id.* at 697-699; *see, e.g., Ward v. Rock Against Racism*, 491 U.S. 781, 791 (1989). The California court here, in contrast, said nothing about either of this Court's established tests for restrictions on speech, applying instead the rational-basis test (A-17) and its own "affirmative defense" (A-29) requiring "significant creative elements" and "transformativeness." A-2; App. A *passim*.

(2) Profit. The *Bery* court rejected the City's argument based on the artists' "peddling of the art" and contending that "the sale of art is conduct"; the court held that "[t]he sale of protected materials is also protected. . . . " 97 F.3d at 695-696 (citing, *e.g.*,

C. Rational Basis

This Court's jurisprudence has established two basic standards of review for laws that restrict speech: "the most exacting scrutiny" for laws that suppress or disadvantage speech because of its content, and an "intermediate level of scrutiny" for laws that are "content-neutral." *See, e.g., Turner Broadcasting System, Inc. v. FCC*, 512 U.S. 622, 642 (1994). In this case, the liability imposed on speech by section 990 of the California Civil Code plainly is based on content; it applies only to speech using attributes of a "deceased personality" (§ 990(a)). The point need not be contested, however, for the California Supreme Court has applied *neither* of this Court's tests. Instead, the court has declared that the governmental interest behind a 50-year (now 70-year) post mortem right of publicity passes the "rational basis" test. A-17. We know of no case in which the Court has used that test

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Lakewood v. Plain Dealer Pub. Co., 486 U.S. 750, 756 n.5, 768 (1988)). The California court early in its opinion appeared to agree (A-10 – A-11), but then denied constitutional protection to Saderup because, in part, he did his work "for commercial gain." A-25.

(3) Visual art. The *Bery* court held that visual art is "as much an embodiment of the artist's expression as is a written text." 97 F.3d at 695; *see also id.*, quoted *supra* at 5-6, n.10. The California court appeared to agree, quoting *Bery* (A-14 – A-15), but it turned out that for the California court there is visual art and visual art. Whether visual art is protected against the right of publicity depends on whether judges determine that the work is "conventional," "imitative," or a "literal depiction" (A-26, -28, -31, -32), or on the other hand shows "significant creative elements" and meets the court's test of being "transformative." A-2, A-24.

to appraise under the First Amendment a regulation of speech.[25] The California Supreme Court's decision therefore conflicts with virtually every First Amendment decision of this Court.[26]

In sum, the decision of the California Supreme Court in this case conflicts in some major respect with three decisions of the United States Courts of Appeals: *Hoffman* from the Ninth Circuit, *Cardtoons* from the Tenth, and *Bery* from the Second. In addition, the decision conflicts with this Court's approach in *Bartnicki* and with virtually every First Amendment decision of this Court. Since these conflicts all involve an important question of federal constitutional law; since two of the opposing decisions are law for the same State; and since at stake is the controlling of much speech and the chilling of much more, this Court should not allow these conflicts to persist.

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[25] The Court's 5-4 decision 24 years ago in its only "right of publicity" case to date, *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562 (1977) – actually a "right of performance" case – did not do that. In upholding a "human cannonball's" suit against a television station that filmed and broadcast his "entire act," the Court stressed that the film "poses a substantial threat to the economic value of that performance" and, "unlike the unauthorized use of another's name for purposes of trade . . . , goes to the heart of petitioner's ability to earn a living as an entertainer." *Id.* at 575-576; *see also id.* ("what may be the strongest case for a 'right of publicity' ").

[26] *E.g.*, *Riley v. National Federation of the Blind of North Carolina*, 487 U.S. 781, 790 (1988) ("government regulation of speech must be rendered in minimums, not maximums").

III.

THE CALIFORNIA SUPREME COURT HAS EXPANDED THE STATE'S RIGHT OF PUBLICITY TO LET CELEBRITIES' HEIRS CONTROL VISUAL REPRESENTATIONS OF DECEASED CELEBRITIES APART FROM ANY USE IN ADVERTISING OR ON DISCRETE PRODUCTS; THE COURT HAS THUS PREEMPTED VISUAL ART AND PHOTOGRAPHY AND CONFERRED OWNERSHIP OF HUMAN APPEARANCE, IN VIOLATION OF THE FIRST AMENDMENT; IN ADDITION THE COURT HAS CHILLED VISUAL SPEECH ABOUT CELEBRITIES THROUGH USE OF A VAGUE AND ELITIST STANDARD THAT MAKES JUDGES INTO ART CRITICS

Given the many decisions arrayed against it, it is not surprising that the California Supreme Court's decision in this case, considered in its own right, kills and chills free expression unacceptably. At stake, for one thing, is popular art depicting our famous people – the ability of artists like Petitioner Saderup to make portraits of celebrities or national heroes and reproduce and sell those portraits. At stake also is much photography. If Saderup's freehand drawing of the Stooges was not sufficiently "transformative" under the California court's test, it is hard to see how most photographs will fare any better with the court. A professional photographer who takes a photo of a celebrity thus may well be unable to sell copies of that photo (unless the celebrity has been dead for 70 years).[27] The photo-stock-house industry, whose

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[27] Section 990 contains exemptions for use of photographs in connection with "news, public affairs, or sports" accounts or "political campaign[s]," in a "play, book, magazine, newspaper, musical composition, film, [or] radio or television program," and in material of "political or newsworthy value." Sec. 990(j), (n). These exemptions often would protect the news medium or other publisher who uses a photo for one of these purposes. But

business is the sale of photos – the subjects of which often include celebrities – would seem at risk.[28] And it does not matter that the photo is copyrighted, and that the photographer (or other person selling the photo) owns the copyright.[29] Under the California Supreme Court's decision, the long-past, non-copyrightable "creative labor" (A-16) of the deceased celebrities takes precedence over the labor of today's artists in creating copyrighted works.[30]

The California Supreme Court has imposed these burdens on visual representation of celebrities by adopting a rule that violates the First Amendment in at least four respects.

1. *"[T]he product consists of the likeness"*. Whatever the previous status of the right of publicity under the First Amendment, the California court in this case has

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they evidently would not protect the photographer or other person who previously sells the photo; that person – a photo stock house, for example – is not involved in the subsequent use and ordinarily will not know for what purpose the photo will be used.

[28] Autograph dealers also appear to be at the mercy of the celebrity-signers or their heirs. These dealers sell the celebrity's "signature" (§ 990(a)), just as Saderup sold the "likeness" (*id.*). If " 'the product consists of the likeness' " (A-9, n.6), it likewise consists of the signature.

[29] Gary Saderup avers that his portrait of the Stooges is protected by federal copyright. *See supra* note 12.

[30] Also overridden would be the right of first sale under the federal Copyright Act, for any rightful owner of a copy of the work. 17 U.S.C. § 109(a). (The issue of copyright preemption was raised in the trial court (J.A., vol. I, at 31), but not in the court of appeal or the California Supreme Court. In any event, the effect on the public's interest in the "creative activity of authors" (*Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 546 (1985)), must be taken into account in striking the appropriate balance under the First Amendment. *Id.*)

expanded that right beyond its "commercial" borders and into conflict with freedom of expression. The statutory publicity right in California, as first enacted in 1971 (for live celebrities), covered the use of a name or likeness "for purposes of advertising products, merchandise, goods or services, or for purposes of solicitation" of such purchases. Civ. Code § 3344; *see* A-8. In 1984 the Legislature, in amending section 3344 and in adopting section 990 for deceased celebrities, added the alternative use, "on or in products, merchandise, or goods." *See id.* In this case, the state supreme court has extended the statute still further. The court holds that reproducing celebrities' likenesses as lithographs meets the "on or in products" test because the lithographs "are themselves tangible personal property, consisting of paper and ink, made as products to be sold. . . . " A-98. This reads "on or in products" out of the statute; as the court acknowledged, "the product consists of the likeness." A-9 & n.6.[31] What becomes actionable then is simply to sell the likeness (or other protected attribute), as by selling lithographs. A-9.[32] In a bit of semantic sleight-of-hand, the court has replaced the requirement that a use be "commercial" in the sense of advertising or selling, or of use on a discrete product, with the different sense of "commercial" meaning "for financial gain." A-25 & n.9.

This sharply expands the right of publicity and diminishes free expression. To impose liability for

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[31] In stating, "Saderup sold more than just the incorporeal likeness of The Three Stooges" (A-9), the court did not explain how one could ever sell the likeness – apart from flashing it momentarily on a screen – without its being embodied in some material object.

[32] The court apparently concedes that the T-shirts stand equally with the lithographs – that use of the image on T-shirts does not "result in reduced First Amendment protection." A-15.

"using" a celebrity's "likeness" by making and selling a sketch or photo of the celebrity preempts visual art and photography, protecting verbal descriptions but condemning visual ones.[33] This offends, not only the proverb that "one picture is worth a thousand words," but also the First Amendment's prohibition on legal monopolies over facts.[34]

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[33] *See* Adam Liptak, "The New Protected Class?," Brill's Content, Fall 2001, p. 57, at 61: "The key battleground is art. Many people and some courts seriously argue that while a verbal depiction of an individual in a biography, magazine profile, or newspaper story is fully protected by the First Amendment, a visual depiction of that same individual, on a poster or a T-shirt, is not."

[34] *See Harper & Row, supra,* 471 U.S. at 559; *Feist v. Rural Telephone Service Co.,* 499 U.S. 340, 348 (1991). A person's appearance is a fact – that is one reason why it may not be copyrighted. While its use for the traditional "commercial" purposes may perhaps be made actionable, the simple depiction of the likeness through artistic or photographic endeavor, along with reproduction and sale of the resulting works, cannot be made actionable without protecting the appearance pure-and-simple. (*But see* the statement of the court of appeal, B-16 ("defendants seek protection for nothing more than the general sale of likenesses of the Three Stooges – that is, plaintiff's property").)

The California Supreme Court's statement that if Saderup's depictions were protected by the First Amendment, "we cannot perceive how the right of publicity would remain a viable right other than in cases of falsified celebrity endorsements" (A-32), invites the question, Why would that be a bad result? The court's perception, however, is limited. The right of publicity could remain viable in cases of its traditional "commercial" uses – for purposes of advertising or selling or on products separate from the name or likeness itself. *See, e.g., Cardtoons, supra,* 95 F.3d at 970 ("do not merely advertise another unrelated product"); *Rogers v. Grimaldi,* 875 F.2d 994, 1004-05 (2d Cir.1989) ("not a disguised advertisement for the sale of goods or services or a collateral commercial product") (Oregon law).

2. *The First Amendment standard.* As noted earlier (*supra* pages 20-21), the California Supreme Court has failed to apply the established tests of this Court for determining the validity under the First Amendment of state regulations of noncommercial speech, and has wrongly applied instead the rational-basis test.

3. *The dead vs. the living.* As also noted earlier (*supra* pages 16-17), the California Supreme Court has failed to perform a constitutionally acceptable balancing test because it has given the right of publicity a free pass, failing to appraise, *inter alia*, the incentive effects of a post mortem right of publicity.

4. *The "transformative" defense.* The California court's "transformative" test, whatever value it might have in publicity law if used in other ways,[35] as used here offends the First Amendment for several reasons:

a. One reason springs from the development just discussed: the court's transforming the meaning of "commercial" so as to impose liability for simply selling portraits (or photos) of the celebrity. When depiction alone is actionable, a defense requiring "transformation" becomes not only vague and elitist, but illusory.

b. As the court candidly says, its test favors "works of parody or other distortions of the celebrity figure" (A-25) over "literal, conventional depictions" (A-32). This is viewpoint

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[35] For example, without the notion that "the product is the likeness" and as part of a full fair use defense, including a "commerciality" inquiry that distinguishes uses in advertising. *See Campbell, supra*, 510 U.S. at 585.

discrimination,[36] in favor of critical views of the celebrity.[37]

c. The test discriminates in another way: against representational art. The freehand transforming of images from life – or, in this case, from death – into vivid portraits on paper or cloth is not considered "transformative." The court's position may accord with some currently fashionable theories of art,[38] but not with the views of many artists, photographers, and common people, as well as other theorists,[39] supporters of institutions such as the National Portrait Gallery, and courts.[40]

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[36] *See Turner Broadcasting System, supra,* 512 U.S. at 642 (a rule that "impose[s] differential burdens upon speech because of its content"); *R.A.V. v. City of St. Paul,* 550 U.S. 377, 381 (1992).

[37] *See* Gary Saderup's Declaration, J.A., vol. II, at 173 ("My art fulfilled a need in the population to see the heroes of our age held up, not for ridicule but for praise"; 176 ("The tradition of drawing our public heroes for public reception goes back to Gilbert Stewart's famous portrait of President Washington. Stuart made and sold many copies of his portrait").

[38] *See, e.g.,* Paul Crowther, *Postmodernism in the Visual Arts: A Question of Ends, in* Postmodernism, A Reader 182 (Thomas Docherty ed., 1993) ("what counts as art is determined by artistic intention alone – rather than by possession of specifiable phenomenal characteristics").

[39] *See, e.g.,* Selections from Ralph Waldo Emerson 136 (Stephen E. Whicher ed., 1960) ("I found that genius left to novices the gay and fantastic and ostentatious, and itself pierced directly to the simple and true. . . . I now require this of all pictures, that they domesticate me, not that they dazzle me"); Hamlet, Act III, ii, 25 ("to hold, as 'twere, the mirror up to nature . . . . ")

[40] *See, e.g., Bleistein, supra,* 188 U.S. at 250 (Holmes, J., holding circus posters copyrightable and quoting Ruskin's Elements of Drawing: " 'If any young person, after being taught what is, in polite circles, called 'drawing,' will try to copy the

d. The Warhol Exception. Unwilling to deny the "transformative" defense to all representational portraits, the California Supreme Court offers its protection to the celebrity silkscreens of Andy Warhol. A-31.[41] This pronouncement by California's "robed critics"[42] is making sport of the law.[43] The court notably

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commonest piece of real work, . . . they will find themselves entirely beaten' "; *Bery v. City of New York, supra*, 97 F.3d at 695, quoted at A-14 – A-15 and *supra*, pp. 5-6, n.10.

[41] The court explains that Warhol conveyed a message that "became a form of ironic social comment on the dehumanization of celebrity itself." A-31. *But see* Carter Ratcliff, Andy Warhol (1983), at 28:

> Pop art as satire was a fiction invented by art critics to explain why Warhol or Lichtenstein or James Rosenquist would bother with popular culture in the first place. Gene R. Swenson got closer to the point, I think, in his comment on Warhol's Stable exhibition: "He simply likes the people he paints." It must be understood, though, that Warhol likes best those whose images shine the brightest – better yet, those who *are* images. Warhol likes stars.

On *this* theory of Warhol's works, would the California court still protect them? How would it distinguish the works of Gary Saderup?

[42] Liptak, *supra* note 33, at 62.

[43] *See, e.g., id.* ("[t]he sketches were not, the court suggested, arty enough to be art"); *id.*, quoting Professor Michael Madow: " 'It's odd to see . . . judges taking this position that art that is postmodern is more worthy of protection than traditional representational art' "); *id.* ("Odd, too, is the notion that judges feel comfortable making these distinctions at all – indeed, taking the role of art critics"); Lewis R. Clayton, "Judges As Critics," Nat'l L.J., July 16, 2001, p. A23 ("[S]hould constitutional protection turn on a judge's view as to whether a work of art is simple-minded and imitative, or instead conveys 'ironic social comment'?").

does not cite Justice Holmes' famous warning that "[i]t would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations." *Bleistein v. Donaldson Lithographic Co.*, 188 U.S. 239, 251 (1903). One danger would be, Holmes said, that legal protection would be denied to "pictures which appealed to a public less educated than the judge." *Id.* at 251-252. That appears to describe this case.

(d) Vagueness. A final worm, infecting both the court's "transformative" test and its Warhol Exception, is an intolerable degree of vagueness in regulating speech. Vague statutes – or court-made rules – are especially offensive when they "abut[ ] upon sensitive areas of basic First Amendment freedoms," since "[u]ncertain meanings inevitably lead citizens to 'steer far wider of the unlawful zone'. . . . " *Grayned v. City of Rockford*, 408 U.S. 104, 109 (1972) (citations omitted); *see also, e.g., Reno v. ACLU, supra*, 521 U.S. at 872. That risk is real here.[44] Especially under a statute brandishing punitive damages, the uncertainty of the California Supreme Court's "transformative" standard – and the further uncertainty due to the conflict with the Ninth Circuit's *Hoffman* rule – will deter artists, photographers, and others from producing visual depictions and other noncommercial speech about celebrities, living or dead.[45]

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[44] The court does not even settle on one formulation of its test, but sets out a verbal *smorgasbord*. *See supra* note 12.

[45] Allowing that its "distinction between protected and unprotected expression will sometimes be subtle," the California court cites *Miller v. California*, 413 U.S. 15, 24 (1973), as a model for such subtlety. A-32. This Court, however, has rejected a similar reliance on *Miller* to defend a vague regulation

In sum, this Court has never decided a true right-of-publicity case, and even *Zacchini* (*supra* notes 20, 25) is 24-years-old. We respectfully submit that the Court's guidance is needed, and that this case calls for it.

CONCLUSION

The petition for a writ of certiorari should be granted.

Dated: Berkeley, California
August 28, 2001

Respectfully submitted,

Of Counsel:
EDWARD C. WILDE SR.
BRAND L. COOPER
COOPER, KARDARAS
& KELLEHER LLP
141 East Walnut Street
Pasadena, CA 91103-3834
(626) 795-0814

STEPHEN R. BARNETT
Counsel of Record
Boalt Hall
College & Bancroft
Berkeley, California 94720
(510) 654-5394

Attorneys for Petitioners

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of speech. In *Reno v. ACLU*, *supra*, 521 U.S. at 873, the Court pointed out that the second prong of *Miller* – whether the work is "patently offensive" – "contains a critical requirement" that the proscribed materials be "specifically defined by the applicable state law." Here, the state-law definition by the California Supreme Court is itself what is vague.

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APPENDIX A

IN THE SUPREME COURT OF CALIFORNIA

COMEDY III PRODUCTIONS, INC., Plaintiff and Respondent, v. GARY SADERUP, INC., et al., Defendants and Appellants.	S076061 Ct. App. 2/2 No. B120382 Los Angeles County Super. Ct. No. EC020205 (Filed April 30, 2001)

A California statute grants the *right of publicity* to specified successors in interest of deceased celebrities, prohibiting any other person from using a celebrity's name, voice, signature, photograph, or likeness for commercial purposes without the consent of such successors. (Former Civ.Code, § 990.)[1] The United States Constitution prohibits the states from abridging, among other fundamental rights, freedom of speech. (U.S. Const., 1st and 14th Amends.) In the case at bar we resolve a conflict between these two provisions. The Court of Appeal concluded that the lithographs and silkscreened T-shirts in question here received no First Amendment protection

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[1] After we granted review, the Legislature renumbered the statute as section 3344.1 of the Civil Code. (Stats. 1999, ch. 998, § 1; *id.*, ch. 1000, § 9.5.) At the same time, it amended the wording of the statute in several respects. Because we interpret the former statute, we will refer to it throughout, in the present tense, as section 990.

simply because they were reproductions rather than original works of art. As will appear, this was error: reproductions are equally entitled to First Amendment protection. We formulate instead what is essentially a balancing test between the First Amendment and the right of publicity based on whether the work in question adds significant creative elements so as to be transformed into something more than a mere celebrity likeness or imitation. Applying this test to the present case, we conclude that there are no such creative elements here and that the right of publicity prevails. On this basis, we will affirm the judgment of the Court of Appeal.

I. The Statute

In this state the right of publicity is both a statutory and a common law right. The statutory right originated in Civil Code section 3344 (hereafter section 3344), enacted in 1971, authorizing recovery of damages by any living person whose name, photograph, or likeness has been used for commercial purposes without his or her consent. Eight years later, in *Lugosi v. Universal Pictures* (1979) 25 Cal.3d 813 (*Lugosi*), we also recognized a common law right of publicity, which the statute was said to complement (*id.* at p. 818 and fn. 6). But because the common law right was derived from the law of privacy,[2] we held in *Lugosi* that the cause of action did not survive the death of the person whose identity was exploited and

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[2] Specifically, from the fourth type of privacy invasion identified by Dean Prosser in his seminal article on the subject. (Prosser, *Privacy* (1960) 48 Cal. L.Rev. 383, 389 ["Appropriation, for the defendant's advantage, of the plaintiff's name or likeness."].)

was not descendible to his or her heirs or assignees. (25 Cal.3d at pp. 819-821.)

In 1984 the Legislature enacted an additional measure on the subject, creating a second statutory right of publicity that *was* descendible to the heirs and assignees of deceased persons. (Stats. 1984, ch. 1704, § 1, p. 6169.) The statute was evidently modeled on section 3344: many of the key provisions of the two statutory schemes were identical. The 1984 measure is the statute in issue in the case at bar. At the time of trial and while the appeal was pending before the Court of Appeal, the statute was numbered section 990 of the Civil Code.

Section 990 declares broadly that "Any person who uses a deceased personality's name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods, or services, without prior consent from the person or persons specified in subdivision (c), shall be liable for any damages sustained by the person or persons injured as a result thereof." (*Id.*, subd. (a).) The amount recoverable includes "any profits from the unauthorized use," as well as punitive damages, attorney fees, and costs. (*Ibid.*)

The statute defines "deceased personality" as a person "whose name, voice, signature, photograph, or likeness has commercial value at the time of his or her death," whether or not the person actually used any of those features for commercial purposes while alive. (§ 990, subd. (h).)

The statute further declares that "The rights recognized under this section are property rights" that are

transferable before or after the personality dies, by contract or by trust or will. (§ 990, subd. (b).) Consent to use the deceased personality's name, voice, photograph, etc., must be obtained from such a transferee or, if there is none, from certain described survivors of the personality. (*Id.*, subds. (c), (d).) Any person claiming to be such a transferee or survivor must register the claim with the Secretary of State before recovering damages. (*Id.*, subd. (f).)

The right to require consent under the statute terminates if there is neither transferee nor survivor (§ 990, subd. (e)), or 50 years after the personality dies (*id.*, subd. (g)).[3]

The statute provides a number of exemptions from the requirement of consent to use. Thus a use "in connection with any news, public affairs, or sports broadcast or account, or any political campaign" does not require consent. (§ 990, subd. (j).) Use in a "commercial medium" does not require consent solely because the material is commercially sponsored or contains paid advertising; "Rather it shall be a question of fact whether or not the use . . . was so directly connected with" the sponsorship or advertising that it requires consent. (*Id.*, subd. (k).) Finally, subdivision (n) provides that "[a] play, book, magazine, newspaper, musical composition, film, radio or television program" (*id.*, subd. (n)(1)), work of "political or newsworthy value" (*id.*, subd. (n)(2)), "[s]ingle and

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[3] Under the new statute, this period has increased to 70 years. (Civ. Code, § 3344.1, subd. (g).)

original works of fine art" (*id.*, subd. (n)(3)), or "an advertisement or commercial announcement" for the above works (*id.*, subd. (n)(4)) are all exempt from the provisions of the statute.

II. Facts

Plaintiff Comedy III Productions, Inc. (hereafter Comedy III), brought this action against defendants Gary Saderup and Gary Saderup, Inc. (hereafter collectively Saderup), seeking damages and injunctive relief for violation of section 990 and related business torts.[4] The parties waived the right to jury trial and the right to put on evidence, and submitted the case for decision on the following stipulated facts:

Comedy III is the registered owner of all rights to the former comedy act known as The Three Stooges, who are deceased personalities within the meaning of the statute.

Saderup is an artist with over 25 years' experience in making charcoal drawings of celebrities. These drawings are used to create lithographic and silkscreen masters, which in turn are used to produce multiple reproductions in the form, respectively, of lithographic prints and silkscreened images on T-shirts. Saderup creates the original drawings and is actively involved in the ensuing lithographic and silkscreening processes.

Without securing Comedy III's consent, Saderup sold lithographs and T-shirts bearing a likeness of The Three

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[4] The action was also commenced by an unrelated celebrity whose claim was settled before trial.

Stooges reproduced from a charcoal drawing he had made. These lithographs and T-shirts did not constitute an advertisement, endorsement, or sponsorship of any product.

Saderup's profits from the sale of unlicensed lithographs and T-shirts bearing a likeness of The Three Stooges was $75,000 and Comedy III's reasonable attorney fees were $150,000.

On these stipulated facts the court found for Comedy III and entered judgment against Saderup awarding damages of $75,000 and attorney fees of $150,000 plus costs. The court also issued a permanent injunction restraining Saderup from violating the statute by use of any likeness of The Three Stooges in lithographs, T-shirts, "or any other medium by which the [Saderup's] art work may be sold or marketed." The injunction further prohibited Saderup from "Creating, producing, reproducing, copying, distributing, selling or exhibiting any lithographs, prints, posters, t-shirts, buttons, or other goods, products or merchandise of any kind, bearing the photograph, image, face, symbols, trademarks, likeness, name, voice or signature of The Three Stooges or any of the individual members of The Three Stooges." The sole exception to this broad prohibition was Saderup's original charcoal drawing from which the reproductions at issue were made.

Saderup appealed. The Court of Appeal modified the judgment by striking the injunction. The court reasoned that Comedy III had not proved a likelihood of continued violation of the statute, and that the wording of the injunction was overbroad because it exceeded the terms

of the statute and because it "could extend to matters and conduct protected by the First Amendment. . . . "

The Court of Appeal affirmed the judgment as thus modified, however, upholding the award of damages, attorney fees, and costs. In so doing, it rejected Saderup's contentions that his conduct (1) did not violate the terms of the statute, and (2) in any event was protected by the constitutional guaranty of freedom of speech.

We granted review to address these two issues.[5]

III. Discussion

A. The Statutory Issue

Saderup contends the statute applies only to uses of a deceased personality's name, voice, photograph, etc., for the purpose of advertising, selling, or soliciting the purchase of, products or services. He then stresses the stipulated fact (and subsequent finding) that the lithographs and T-shirts at issue in this case did not constitute an advertisement, endorsement, or sponsorship of any product. He concludes the statute therefore does not apply in the case at bar. As will appear, the major premise of his argument – his construction of the statute – is unpersuasive.

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[5] In its brief on the merits plaintiff asks us also to review the Court of Appeal's ruling striking the injunction. We decline to do so: plaintiff failed to raise this issue in its answer to the petition for review (Cal. Rules of Court, rule 28(e)(5)) and in any event presents little or no argument in support of the point.

As noted above, the statute makes liable any person who, without consent, uses a deceased personality's name, voice, photograph, etc., "in any manner, *on or in products, merchandise, or goods, or* for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods, or services. . . . " (§ 990, subd. (a), italics added.) Saderup's construction reads the emphasized phrase out of the statute. Yet the Legislature deliberately inserted it, as the following sequence of events demonstrates. When first enacted in 1971, section 3344 – the companion statute applying to living personalities – contained no such phrase: the statute simply made liable any person who uses another's identity "in any manner, for purposes of advertising products, merchandise, goods or services, or for purposes of solicitation of" such purchases. (Stats. 1971, ch. 1595, § 1, p. 3426.) The Legislature inserted the phrase, "on or in products, merchandise, or goods, or," when it amended section 3344 in 1984. (Stats. 1984, ch. 1704, § 2, p. 6172.) And in the very same legislation, the Legislature adopted section 990 and inserted the identical phrase in that statute as well. (Stats. 1984, ch. 1704, § 1, p. 6169.)

We therefore give effect to the plain meaning of the statute: it makes liable any person who, without consent, uses a deceased personality's name, voice, photograph, etc., either (1) "on or in" a product, *or* (2) in "advertising or selling" a product. The two uses are not synonymous: in the apt example given by the Court of Appeal, there is an obvious difference between "placing a celebrity's name on a 'special edition' of a vehicle, and using that name in a commercial to endorse or tout the same or another vehicle."

Applying this construction of the statute to the facts at hand, we agree with the Court of Appeal that Saderup sold more than just the incorporeal likeness of The Three Stooges. Saderup's lithographic prints of The Three Stooges are themselves tangible personal property, consisting of paper and ink, made as products to be sold and displayed on walls like similar graphic art. Saderup's T-shirts are likewise tangible personal property, consisting of fabric and ink, made as products to be sold and worn on the body like similar garments. By producing and selling such lithographs and T-shirts, Saderup thus used the likeness of The Three Stooges "on . . . products, merchandise, or goods" within the meaning of the statute.[6]

Saderup contends this construction is inconsistent with precedent, but the cases on which he relies are readily distinguishable. *Eastwood v. Superior Court* (1983) 149 Cal.App.3d 409, 417, involving section 3344, was decided when that statute prohibited the use of another's identity only for advertising purposes. And although *Newcombe v. Adolf Coors Company* (9th Cir. 1998) 157 F.3d 686 was decided after the Legislature inserted the phrase, "on or in products, merchandise, or goods," into section 3344, the case is not authority for reading that phrase out

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[6] This conclusion is not inconsistent with the statement of the trial court that in the case at bar "the product consists of the likeness." The court did not make that statement in answering the statutory contention we address here, but in response to the constitutional claim we address later in this opinion (pt. II, *post*). On the statutory issue, the court expressly found that "the products sold by the defendants are, in fact, *lithographs and T-shirts* with the likeness of The Three Stooges." (Italics added.)

of the statute or section 990: because the sole issue in the case was the unauthorized use of a celebrity's likeness in a beer advertisement, the court quoted only those portions of section 3344 dealing with advertisements. (*Newcombe,* at p. 692.)

B. The Constitutional Issue

Saderup next contends that enforcement of the judgment against him violates his right of free speech and expression under the First Amendment. He raises a difficult issue, which we address below.

The right of publicity is often invoked in the context of commercial speech when the appropriation of a celebrity likeness creates a false and misleading impression that the celebrity is endorsing a product. (See *Waits v. Frito-Lay, Inc.* (9th Cir. 1992) 978 F.2d 1093; *Midler v. Ford Motor Co.* (9th Cir. 1988) 849 F.2d 460.) Because the First Amendment does not protect false and misleading commercial speech (*Central Hudson Gas & Elec. Corp. v. Public Serv. Com'n* (1980) 447 U.S. 557, 563-564), and because even nonmisleading commercial speech is generally subject to somewhat lesser First Amendment protection (*Central Hudson,* at p. 566), the right of publicity may often trump the right of advertisers to make use of celebrity figures.

But the present case does not concern commercial speech. As the trial court found, Saderup's portraits of The Three Stooges are expressive works and not an advertisement for or endorsement of a product. Although

his work was done for financial gain, "[t]he First Amendment is not limited to those who publish without charge. . . . [An expressive activity] does not lose its constitutional protection because it is undertaken for profit." (*Guglielmi v. Spelling-Goldberg Productions* (1979) 25 Cal.3d 860, 868 (conc. opn. of Bird, C.J.) (*Guglielmi*).)[7]

The tension between the right of publicity and the First Amendment is highlighted by recalling the two distinct, commonly acknowledged purposes of the latter. First, " 'to preserve an uninhibited marketplace of ideas' and to repel efforts to limit the ' "uninhibited, robust and wide-open" debate on public issues.' " (*Guglielmi, supra,* 25 Cal.3d at p. 866.) Second, to foster a "fundamental respect for individual development and self-realization. The right to self-expression is inherent in any political system which respects individual dignity. Each speaker must be free of government restraint regardless of the nature or manner of the views expressed unless there is a compelling reason to the contrary." (*Ibid.*, fn. omitted; see also Emerson, The System of Freedom of Expression (1970) pp. 6-7.)

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[7] Chief Justice Bird's concurring opinion in *Guglielmi* was signed by Justices Tobriner and Manuel. The principles enunciated in her concurrence were also endorsed by Justice Newman, who nonetheless did not join the opinion because he shared the view of the majority that the common law right of publicity was not descendible (the case predated the passage of section 990). (*Guglielmi*, at p. 876.) Therefore, Chief Justice Bird's views in *Guglielmi* commanded the support of the majority of the court. Hereafter, all references to *Guglielmi* in this opinion will be to the Chief Justice's opinion.

The right of publicity has a potential for frustrating the fulfillment of both these purposes. Because celebrities take on public meaning, the appropriation of their likenesses may have important uses in uninhibited debate on public issues, particularly debates about culture and values. And because celebrities take on personal meanings to many individuals in the society, the creative appropriation of celebrity images can be an important avenue of individual expression. As one commentator has stated: "Entertainment and sports celebrities are the leading players in our Public Drama. We tell tales, both tall and cautionary, about them. We monitor their comings and goings, their missteps and heartbreaks. We copy their mannerisms, their styles, their modes of conversation and of consumption. Whether or not celebrities are 'the chief agents of moral change in the United States,' they certainly are widely used – far more than are institutionally anchored elites – to symbolize individual aspirations, group identities, and cultural values. Their images are thus important expressive and communicative resources: the peculiar, yet familiar idiom in which we conduct a fair portion of our cultural business and everyday conversation." (Madow, *Private Ownership of Public Image: Popular Culture and Publicity Rights* (1993) 81 Cal. L.Rev. 125, 128 (Madow).)

As Madow further points out, the very importance of celebrities in society means that the right of publicity has the potential of censoring significant expression by suppressing alternative versions of celebrity images that are iconoclastic, irreverent, or otherwise attempt to redefine the celebrity's meaning. (Madow, *supra*, 81 Cal. L.Rev. at pp. 143-145; see also Coombe, *Author/izing the Celebrity:*

Publicity Rights, Postmodern Politics, and Unauthorized Genders (1992) 10 Cardozo Arts and Ent. L.J. 365, 377-388.) A majority of this court recognized as much in *Guglielmi:* "The right of publicity derived from public prominence does not confer a shield to ward off caricature, parody and satire. Rather, prominence invites creative comment." (*Guglielmi, supra,* 25 Cal.3d at p. 869.)

For similar reasons, speech about public figures is accorded heightened First Amendment protection in defamation law. As the United States Supreme Court held in *Gertz v. Robert Welch, Inc.* (1974) 418 U.S. 323, public figures may prevail in a libel action only if they prove that the defendant's defamatory statements were made with actual malice, i.e., actual knowledge of falsehood or reckless disregard for the truth, whereas private figures need prove only negligence. (*Id.* at pp. 328, 342, 344-345.) The rationale for such differential treatment is, first, that the public figure has greater access to the media and therefore greater opportunity to rebut defamatory statements, and second, that those who have become public figures have done so voluntarily and therefore "invite attention and comment." (*Id.* at pp. 344-345.) Giving broad scope to the right of publicity has the potential of allowing a celebrity to accomplish through the vigorous exercise of that right the censorship of unflattering commentary that cannot be constitutionally accomplished through defamation actions.

Nor do Saderup's creations lose their constitutional protections because they are for purposes of entertaining rather than informing. As Chief Justice Bird stated in

Guglielmi, invoking the dual purpose of the First Amendment: "Our courts have often observed that entertainment is entitled to the same constitutional protection as the exposition of ideas. That conclusion rests on two propositions. First, '[t]he line between informing and entertaining is too elusive for the protection of the basic right. Everyone is familiar with instances of propaganda through fiction. What is one man's amusement, teaches another doctrine.' " (*Guglielmi, supra,* 25 Cal.3d at p. 867, fn. omitted.) "Second, entertainment, as a mode of self-expression, is entitled to constitutional protection irrespective of its contribution to the marketplace of ideas. 'For expression is an integral part of the development of ideas, of mental exploration and of the affirmation of self. The power to realize his potentiality as a human being begins at this point and must extend at least this far if the whole nature of man is not to be thwarted.' " (*Ibid.*)

Nor does the fact that expression takes a form of nonverbal, visual representation remove it from the ambit of First Amendment protection. In *Bery v. City of New York* (2d Cir. 1996) 97 F.3d 689, the court overturned an ordinance requiring visual artists – painters, printers, photographers, sculptors, etc. – to obtain licenses to sell their work in public places, but exempted the vendors of books, newspapers or other written matter. As the court stated: "Both the [district] court and the City demonstrate an unduly restricted view of the First Amendment and of visual art itself. Such myopic vision not only overlooks case law central to First Amendment jurisprudence but fundamentally misperceives the essence of visual communication and artistic expression. Visual art is as wide ranging in its depiction of ideas, concepts and emotions

as any book, treatise, pamphlet or other writing, and is similarly entitled to full First Amendment protection. . . . One cannot look at Winslow Homer's paintings on the Civil War without seeing, in his depictions of the boredom and hardship of the individual soldier, expressions of anti-war sentiments, the idea that war is not heroic." (*Id.* at p. 695.)

Moreover, the United States Supreme Court has made it clear that a work of art is protected by the First Amendment even if it conveys no discernable message: "[A] narrow, succinctly articulable message is not a condition of constitutional protection, which if confined to expressions conveying a 'particularized message,' [citation], would never reach the unquestionably shielded painting of Jackson Pollock, music of Arnold Schoenberg, or Jabberwocky verse of Lewis Carroll." (*Hurley v. Irish-American Gay, Lesbian and Bisexual Group of Boston, Inc.* (1995) 515 U.S. 557, 569.)

Nor does the fact that Saderup's art appears in large part on a less conventional avenue of communications, T-shirts, result in reduced First Amendment protection. As Judge Posner stated in the case of a defendant who sold T-shirts advocating the legalization of marijuana, "its T-shirts . . . are to [the seller] what the *New York Times* is to the Sulzbergers and the Ochses – the vehicle of her ideas and opinions." (*Ayres v. City of Chicago* (7th Cir. 1997) 125 F.3d 1010, 1017; see also *Cohen v. California* (1971) 403 U.S. 15 [jacket with words "Fuck the Draft" on the back is protected speech].) First Amendment doctrine does not disfavor nontraditional media of expression.

But having recognized the high degree of First Amendment protection for noncommercial speech about celebrities, we need not conclude that all expression that trenches on the right of publicity receives such protection. The right of publicity, like copyright, protects a form of intellectual property that society deems to have some social utility. "Often considerable money, time and energy are needed to develop one's prominence in a particular field. Years of labor may be required before one's skill, reputation, notoriety or virtues are sufficiently developed to permit an economic return through some medium of commercial promotion. [Citations.] For some, the investment may eventually create considerable commercial value in one's identity." (*Lugosi, supra,* 25 Cal.3d at pp. 834-835 (dis. opn. of Bird, C. J.).)

The present case exemplifies this kind of creative labor. Moe and Jerome (Curly) Howard and Larry Fein fashioned personae collectively known as The Three Stooges, first in vaudeville and later in movie shorts, over a period extending from the 1920's to the 1940's. (See Fleming, The Three Stooges: Amalgamated Morons to American Icons (1999) pp. 10-46.) The three comic characters they created and whose names they shared – Larry, Moe, and Curly – possess a kind of mythic status in our culture. Their journey from ordinary vaudeville performers to the heights (or depths) of slapstick comic celebrity was long and arduous. (*Ibid.*) Their brand of physical humor – the nimble, comically stylized violence, the "nyuk-nyuks" and "whoop-whoop-whoops," eye-pokes, slaps and head conks (see, e.g., Three Little Pigskins (Columbia Pictures 1934), Hoi Polloi (Columbia Pictures 1935), A Gem of a Jam (Columbia Pictures 1943),

Micro Phonies (Columbia Pictures 1945)) – created a distinct comedic trademark. Through their talent and labor, they joined the relatively small group of actors who constructed identifiable, recurrent comic personalities that they brought to the many parts they were scripted to play. "Groucho Marx just being Groucho Marx, with his moustache, cigar, slouch and leer, cannot be exploited by others. Red Skelton's variety of self-devised roles would appear to be protectible, as would the unique personal creations of Abbott and Costello, Laurel and Hardy and others of that genre. . . . '[W]e deal here with actors portraying themselves and developing their own characters.' " (*Lugosi, supra,* 25 Cal.3d at pp. 825-826 (conc. opn. of Mosk, J.).)

In sum, society may recognize, as the Legislature has done here, that a celebrity's heirs and assigns have a legitimate protectible interest in exploiting the value to be obtained from merchandising the celebrity's image, whether that interest be conceived as a kind of natural property right or as an incentive for encouraging creative work. (See 1 McCarthy, The Rights of Publicity and Privacy (2d ed. 2000) §§ 2.2-2.7, pp. 2-1 to 2-22 (McCarthy).) Although critics have questioned whether the right of publicity truly serves any social purpose, (see, e.g., Madow, *supra,* 81 Cal. L.Rev. at pp. 178-238), there is no question that the Legislature has a rational basis for permitting celebrities and their heirs to control the commercial exploitation of the celebrity's likeness.

Although surprisingly few courts have considered in any depth the means of reconciling the right of publicity and the First Amendment, we follow those that have in concluding that depictions of celebrities amounting to

little more than the appropriation of the celebrity's economic value are not protected expression under the First Amendment. We begin with *Zacchini v. Scripps-Howard Broadcasting Co.* (1977) 433 U.S. 562, 576 (*Zacchini*), the only United States Supreme Court case to directly address the right of publicity. Zacchini, the performer of a human cannonball act, sued a television station that had videotaped and broadcast his entire performance without his consent. The court held the First Amendment did not protect the television station against a right of publicity claim under Ohio common law. In explaining why the enforcement of the right of publicity in this case would not violate the First Amendment, the court stated: " '[T]he rationale for [protecting the right of publicity] is the straightforward one of preventing unjust enrichment by the theft of good will. No social purpose is served by having the defendant get free some aspect of the plaintiff that would have market value and for which he would normally pay.' " (*Id.* at p. 576.) The court also rejected the notion that federal copyright or patent law preempted this type of state law protection of intellectual property: "[Copyright and patent] laws perhaps regard the 'reward to the owner [as] a secondary consideration,' [citation], but they were 'intended definitely to grant valuable, enforceable rights' in order to afford greater encouragement to the production of works of benefit to the public. [Citation.] The Constitution does not prevent Ohio from making a similar choice here in deciding to protect the entertainer's incentive in order to encourage the production of this type of work." (*Id.* at p. 577.)

To be sure, *Zacchini* was not an ordinary right of publicity case: the defendant television station had

appropriated the plaintiff's entire act, a species of common law copyright violation. Nonetheless, two principles enunciated in *Zacchini* apply to this case: (1) state law may validly safeguard forms of intellectual property not covered under federal copyright and patent law as a means of protecting the fruits of a performing artist's labor; and (2) the state's interest in preventing the outright misappropriation of such intellectual property by others is not automatically trumped by the interest in free expression or dissemination of information; rather, as in the case of defamation, the state law interest and the interest in free expression must be balanced, according to the relative importance of the interests at stake. (See *Gertz v. Robert Welch, Inc., supra,* 418 U.S. at pp. 347-350.)

Guglielmi adopted a similar balancing approach. The purported heir of Rudolph Valentino filed suit against the makers of a fictional film based on the latter's life. *Guglielmi* concluded that the First Amendment protection of entertainment superseded any right of publicity. This was in contrast to the companion *Lugosi* case, in which Chief Justice Bird concluded in her dissenting opinion that there may be an enforceable right of publicity that would prevent the merchandising of Count Dracula using the likeness of Bela Lugosi, with whom that role was identified. (*Lugosi, supra,* 25 Cal.3d at pp. 848-849.) *Guglielmi* proposed a balancing test to distinguish protected from unprotected appropriation of celebrity likenesses: "an action for infringement of the right of publicity can be maintained only if the proprietary interests at issue clearly outweigh the value of free expression in this context." (*Guglielmi, supra,* 25 Cal.3d at p. 871.)

In *Estate of Presley v. Russen* (D.N.J. 1981) 513 F.Supp. 1339 (*Russen*), the court considered a New Jersey common law right of publicity claim by Elvis Presley's heirs against an impersonator who performed The Big El Show. The court implicitly used a balancing test similar to the one proposed in *Guglielmi*. Acknowledging that the First Amendment protects entertainment speech, the court nonetheless rejected that constitutional defense. "[E]ntertainment that is merely a copy or imitation, even if skillfully and accurately carried out, does not really have its own creative component and does not have a significant value as pure entertainment. As one authority has emphasized: [¶] 'The public interest in entertainment will support the sporadic, occasional and good-faith imitation of a famous person to achieve humor, to effect criticism or to season a particular episode, but it does not give a privilege to appropriate another's valuable attributes on a continuing basis as one's own without the consent of the other.' " (*Russen, supra,* 513 F.Supp. at p. 1360.) Acknowledging also that the show had some informational value, preserving a live Elvis Presley act for posterity, the court nonetheless stated: "This recognition that defendant's production has some value does not diminish our conclusion that the primary purpose of defendant's activity is to appropriate the commercial value of the likeness of Elvis Presley." (*Ibid.*)

On the other side of the equation, the court recognized that the Elvis impersonation, as in *Zacchini,* represented "what may be the strongest case for the 'right of publicity' involving not the appropriation of the entertainer's reputation to enhance the attractiveness of a commercial product, but the appropriation of the very

activity by which the entertainer acquired his reputation in the first place." (*Russen, supra,* 513 F.Supp. at p. 1361, quoting *Zacchini, supra,* 433 U.S. at p. 576.) Thus, in balancing the considerable right of publicity interests with the minimal expressive or informational value of the speech in question, the *Russen* court concluded that the Presley estate's request for injunctive relief would likely prevail on the merits. (*Russen,* at p. 1361; see also *Factors etc. Inc. v. Creative Card Co.* (S.D.N.Y. 1977) 444 F.Supp. 279 [poster of Elvis Presley labeled "In Memory . . . 1935-1977" did not possess sufficient newsworthiness to be eligible for First Amendment protection].)

In *Groucho Marx Productions, Inc. v. Day & Night Co.* (S.D.N.Y. 1981) 523 F.Supp. 485, reversed on other grounds (2d Cir. 1982) 689 F.2d 317, the court considered a right of publicity challenge to a new play featuring characters resembling the Marx Brothers. The court found in favor of the Marx Brothers' heirs, rejecting a First Amendment defense. In analyzing that defense, the court posed a dichotomy between "works . . . designed primarily to promote the dissemination of thoughts, ideas or information through news or fictionalization," which would receive First Amendment protection, and "use of the celebrity's name or likeness . . . largely for commercial purposes, such as the sale of merchandise," in which the right of publicity would prevail. (523 F.Supp. at p. 492.) In creating this dichotomy, the court did not appear to give due consideration to forms of creative expression protected by the First Amendment that cannot be categorized as ideas or information. Moreover, the court, borrowing from certain copyright cases, seemed to believe that the validity of the First Amendment defense

turned on whether the play was a parody, without explaining why other forms of creative appropriation, such as using established characters in new theatrical works to advance various creative objectives, were not protected by the First Amendment.[8] Nonetheless, the case is in line with *Zacchini, Guglielmi* and *Russen* in recognizing that certain forms of commercial exploitation of celebrities that violate the state law right of publicity do not receive First Amendment protection.

It is admittedly not a simple matter to develop a test that will unerringly distinguish between forms of artistic expression protected by the First Amendment and those that must give way to the right of publicity. Certainly, any such test must incorporate the principle that the right of publicity cannot, consistent with the First Amendment, be a right to control the celebrity's image by censoring disagreeable portrayals. Once the celebrity thrusts himself or herself forward into the limelight, the First Amendment dictates that the right to comment on, parody, lampoon, and make other expressive uses of the celebrity image must be given broad scope. The necessary implication of this observation is that the right of publicity is essentially an economic right. What the right of publicity holder possesses is not a right of censorship, but a right to prevent others from misappropriating the

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[8] The Second Circuit Court of Appeals in *Groucho Marx Productions v. Day and Night, supra,* 689 F.2d at pages 320-323, reversed the district court on the grounds that it had mistakenly applied New York rather than California law, and that under the latter at the time, the right of publicity terminated at the death of the celebrity. The court therefore had no occasion to rule on the validity of the district court's First Amendment analysis.

economic value generated by the celebrity's fame through the merchandising of the "name, voice, signature, photograph, or likeness" of the celebrity. (§ 990.)

Beyond this precept, how may courts distinguish between protected and unprotected expression? Some commentators have proposed importing the fair use defense from copyright law (17 U.S.C. § 107), which has the advantage of employing an established doctrine developed from a related area of the law. (See Barnett, *First Amendment Limits on the Right of Publicity* (1995) 30 Tort & Ins. L.J. 635, 650-657; Coyne, *Toward a Modified Fair Use Defense in Right of Publicity Cases* (1988) 29 Wm. & Mary L.Rev. 781, 812-820.) Others disagree, pointing to the murkiness of the fair use doctrine and arguing that the idea/expression dichotomy, rather than fair use, is the principal means of reconciling copyright protection and First Amendment rights. (2 McCarthy, supra, § 8.38, pp. 8-358 to 8-360; see also Kwall, *The Right of Publicity vs. The First Amendment: A Property and Liability Rule Analysis* (1994) 70 Ind. L.J. 47, 58, fn. 54.)

We conclude that a wholesale importation of the fair use doctrine into right of publicity law would not be advisable. At least two of the factors employed in the fair use test, "the nature of the copyrighted work" and "the amount and substantiality of the portion used" (17 U.S.C. § 107(2), (3)), seem particularly designed to be applied to the partial copying of works of authorship "fixed in [a] tangible medium of expression" (17 U.S.C. § 102); it is difficult to understand why these factors would be especially useful for determining whether the depiction of a celebrity likeness is protected by the First Amendment.

Nonetheless, the first fair use factor – "the purpose and character of the use" (17 U.S.C. § 107(1)) – does seem particularly pertinent to the task of reconciling the rights of free expression and publicity. As the Supreme Court has stated, the central purpose of the inquiry into this fair use factor "is to see, in Justice Story's words, whether the new work merely 'supersede[s] the objects' of the original creation [citations], or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is 'transformative.' [Citation.] Although such transformative use is not absolutely necessary for a finding of fair use, [citation] the goal of copyright, to promote science and the arts, is generally furthered by the creation of transformative works." (*Campbell v. Acuff-Rose Music, Inc.* (1994) 510 U.S. 569, 579, fn. omitted.)

This inquiry into whether a work is "transformative" appears to us to be necessarily at the heart of any judicial attempt to square the right of publicity with the First Amendment. As the above quotation suggests, both the First Amendment and copyright law have a common goal of encouragement of free expression and creativity, the former by protecting such expression from government interference, the latter by protecting the creative fruits of intellectual and artistic labor. (See Nimmer on Copyright (2000 ed.) § 1.10, pp. 1-66.43 to 1-66.44 (Nimmer).) The right of publicity, at least theoretically, shares this goal with copyright law. (1 McCarthy, *supra*, § 2.6, pp. 2-14 to 2-19.) When artistic expression takes the form of a literal

depiction or imitation of a celebrity for commercial gain,[9] directly trespassing on the right of publicity without adding significant expression beyond that trespass, the state law interest in protecting the fruits of artistic labor outweighs the expressive interests of the imitative artist. (See *Zacchini, supra,* 433 U.S. at pp. 575-576.)

On the other hand, when a work contains significant transformative elements, it is not only especially worthy of First Amendment protection, but it is also less likely to interfere with the economic interest protected by the right of publicity. As has been observed, works of parody or other distortions of the celebrity figure are not, from the celebrity fan's viewpoint, good substitutes for conventional depictions of the celebrity and therefore do not generally threaten markets for celebrity memorabilia that the right of publicity is designed to protect. (See *Cardtoons, L.C. v. Major League Baseball Players Association* (10th Cir. 1996) 95 F.3d 959, 974 (*Cardtoons*).) Accordingly, First Amendment protection of such works outweighs whatever interest the state may have in enforcing the right of publicity. The right-of-publicity holder continues to

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[9] Inquiry into the "purpose and character" of the work in copyright law also includes "whether such use is of a commercial nature or is for nonprofit educational purposes." (17 U.S.C. § 107(1).) It could be argued that reproduction of a celebrity likeness for noncommercial use – e.g., T-shirts of a recently deceased rock musician produced by a fan as a not-for-profit tribute – is a form of personal expression and therefore more worthy of First Amendment protection. This is an issue, however, that we need not decide in this case. It is undisputed that Saderup sold his reproductions for financial gain.

enforce the right to monopolize the production of conventional, more or less fungible, images of the celebrity.[10]

Cardtoons, supra, 95 F.3d 959, cited by Saderup, is consistent with this "transformative" test. There, the court held that the First Amendment protected a company that produced trading cards caricaturing and parodying well-known major league baseball players against a claim brought under the Oklahoma right of publicity statute. The court concluded that "[t]he cards provide social commentary on public figures, major league baseball players, who are involved in a significant commercial enterprise, major league baseball," and that "[t]he cards are no less protected because they provide humorous

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[10] There is a fourth factor in the fair use test not yet mentioned, "the effect of the use upon the potential market for or value of the copyrighted work" (17 U.S.C. § 107(4)), that bears directly on this question. We do not believe, however, that consideration of this factor would usefully supplement the test articulated here. If it is determined that a work is worthy of First Amendment protection because added creative elements significantly transform the celebrity depiction, then independent inquiry into whether or not that work is cutting into the market for the celebrity's images – something that might be particularly difficult to ascertain in the right of publicity context (see Madow, *supra,* 81 Cal. L.Rev. at pp. 221-222) – appears to be irrelevant. Moreover, this "potential market" test has been criticized for circularity: it could be argued that if a defendant has capitalized in any way on a celebrity's image, he or she has found a potential market and therefore could be liable for such work. (See 4 Nimmer, *supra,* § 13.05[A][4] at pp. 13-183 to 13-184.) The "transformative" test elaborated in this opinion will, we conclude, protect the right-of-publicity holder's core interest in monopolizing the merchandising of celebrity images without unnecessarily impinging on the artists' right of free expression.

rather than serious commentary." (*Cardtoons*, at p. 969.) The *Cardtoons* court weighed these First Amendment rights against what it concluded was the less-than-compelling interests advanced by the right of publicity outside the advertising context – especially in light of the reality that parody would not likely substantially impact the economic interests of celebrities – and found the cards to be a form of protected expression. (*Cardtoons*, at pp. 973-976.) While *Cardtoons* contained dicta calling into question the social value of the right of publicity, its conclusion that works parodying and caricaturing celebrities are protected by the First Amendment appears unassailable in light of the test articulated above.

We emphasize that the transformative elements or creative contributions that require First Amendment protection are not confined to parody and can take many forms, from factual reporting (see, e.g., *Rosemont Enterprises, Inc. v. Random House, Inc.* (N.Y.Sup.Ct. 1968) 294 N.Y.S.2d 122, 129, affd. mem. (1969) 301 N.Y.S.2d 948) to fictionalized portrayal (*Guglielmi, supra*, 25 Cal.3d at pp. 871-872; see also *Parks v. LaFace Records* (E.D.Mich. 1999) 76 F.Supp.2d 775, 779-782 [use of civil rights figure Rosa Parks in song title is protected expression]), from heavy-handed lampooning (see *Hustler Magazine v. Falwell* (1988) 485 U.S. 46) to subtle social criticism (see Coplans et al., Andy Warhol (1970) pp 50-52 [explaining Warhol's celebrity portraits as a critique of the celebrity phenomenon]).

Another way of stating the inquiry is whether the celebrity likeness is one of the "raw materials" from which an original work is synthesized, or whether the depiction or imitation of the celebrity is the very sum and

substance of the work in question. We ask, in other words, whether a product containing a celebrity's likeness is so transformed that it has become primarily the defendant's own expression rather than the celebrity's likeness. And when we use the word "expression," we mean expression of something other than the likeness of the celebrity.

We further emphasize that in determining whether the work is transformative, courts are not to be concerned with the quality of the artistic contribution – vulgar forms of expression fully qualify for First Amendment protection. (See, e.g., *Hustler Magazine v. Falwell, supra,* 485 U.S. 46; see also *Campbell v. Acuff – Rose Music, Inc., supra,* 510 U.S. at p. 582.) On the other hand, a literal depiction of a celebrity, even if accomplished with great skill, may still be subject to a right of publicity challenge. The inquiry is in a sense more quantitative than qualitative, asking whether the literal and imitative or the creative elements predominate in the work.[11]

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[11] Saderup also cites *ETW Corp. v. Jireh Publishing, Inc.* (N.D.Ohio 2000) 99 F.Supp.2d 829, 835-836, in which the court held that a painting consisting of a montage of likenesses of the well-known professional golfer Eldridge "Tiger" Woods, reproduced in 5,000 prints, was a work of art and therefore protected under the First Amendment. We disagree with the *ETW Corp.* court if its holding is taken to mean that any work of art, however much it trespasses on the right of publicity and however much it lacks additional creative elements, is categorically shielded from liability by the First Amendment. Whether the work in question in that case would be judged to be exempt from California's right of publicity, either under the First Amendment test articulated in this opinion or under the statutory exception for material of newsworthy value, is, of course, beyond the scope of this opinion.

Furthermore, in determining whether a work is sufficiently transformative, courts may find useful a subsidiary inquiry, particularly in close cases: does the marketability and economic value of the challenged work derive primarily from the fame of the celebrity depicted? If this question is answered in the negative, then there would generally be no actionable right of publicity. When the value of the work comes principally from some source other than the fame of the celebrity – from the creativity, skill, and reputation of the artist – it may be presumed that sufficient transformative elements are present to warrant First Amendment protection. If the question is answered in the affirmative, however, it does not necessarily follow that the work is without First Amendment protection – it may still be a transformative work.

In sum, when an artist is faced with a right of publicity challenge to his or her work, he or she may raise as affirmative defense that the work is protected by the First Amendment inasmuch as it contains significant transformative elements or that the value of the work does not derive primarily from the celebrity's fame.

Turning to the present case, we note that the trial court, in ruling against Saderup, stated that "the commercial enterprise conducted by [Saderup] involves the sale of lithographs and T-shirts which are not original single works of art, and which are not protected by the First Amendment; the enterprise conducted by the [Saderup] was a commercial enterprise designed to generate profits solely from the use of the likeness of The Three Stooges which is the right of publicity . . . protected by section 990." Although not entirely clear, the trial court seemed to be holding that *reproductions* of celebrity images are

categorically outside First Amendment protection. The Court of Appeal was more explicit in adopting this rationale: "Simply put, although the First Amendment protects speech that is sold [citation], reproductions of an image, made to be sold for profit do not per se constitute speech." But this position has no basis in logic or authority. No one would claim that a published book, because it is one of many copies, receives less First Amendment protection than the original manuscript. It is true that the statute at issue here makes a distinction between a single and original work of fine art and a reproduction. (§ 990, subd. (n)(3).) Because the statute evidently aims at preventing the illicit merchandising of celebrity images, and because single original works of fine art are not forms of merchandising, the state has little if any interest in preventing the exhibition and sale of such works, and the First Amendment rights of the artist should therefore prevail. But the inverse – that a reproduction receives no First Amendment protection – is patently false: a reproduction of a celebrity image that, as explained above, contains significant creative elements is entitled to as much First Amendment protection as an original work of art. The trial court and the Court of Appeal therefore erred in this respect.

Rather, the inquiry is into whether Saderup's work is sufficiently transformative. Correctly anticipating this inquiry, he argues that all portraiture involves creative decisions, that therefore no portrait portrays a mere literal likeness, and that accordingly all portraiture, including reproductions, is protected by the First Amendment. We reject any such categorical position. Without denying that all portraiture involves the making of artistic choices,

we find it equally undeniable, under the test formulated above, that when an artist's skill and talent is manifestly subordinated to the overall goal of creating a conventional portrait of a celebrity so as to commercially exploit his or her fame, then the artist's right of free expression is outweighed by the right of publicity. As is the case with fair use in the area of copyright law, an artist depicting a celebrity must contribute something more than a " ' "merely trivial" ' variation, [but must create] something recognizably ' "his own" ' " (*L. Batlin & Son, Inc. v. Snyder* (2d Cir. 1976) 536 F.2d 486, 490), in order to qualify for legal protection.

On the other hand, we do not hold that all reproductions of celebrity portraits are unprotected by the First Amendment. The silkscreens of Andy Warhol, for example, have as their subjects the images of such celebrities as Marilyn Monroe, Elizabeth Taylor, and Elvis Presley. Through distortion and the careful manipulation of context, Warhol was able to convey a message that went beyond the commercial exploitation of celebrity images and became a form of ironic social comment on the dehumanization of celebrity itself. (See Coplans et al., *supra*, at p. 52.)[12] Such expression may well be entitled to First

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[12] The novelist Don DeLillo gives this fictional account of an encounter with Warhol's reproductions of images of Mao Zedong: "He moved along and stood finally in a room filled with images of Chairman Mao. Photocopy Mao, silk-screen Mao, wallpaper Mao, synthetic-polymer Mao. A series of silk screens was installed over a broader surface of wallpaper serigraphs, the Chairman's face a pansy purple here, floating nearly free of its photographic source. Work that was unwitting of history appealed to [him]. He found it liberating. Had he ever

Amendment protection. Although the distinction between protected and unprotected expression will sometimes be subtle, it is no more so than other distinctions triers of fact are called on to make in First Amendment jurisprudence. (See, e.g., *Miller v. California* (1973) 413 U.S. 15, 24 [requiring determination, in the context of work alleged to be obscene, of "whether the work, taken as a whole, lacks serious literary, artistic, political, or scientific value"].)

Turning to Saderup's work, we can discern no significant transformative or creative contribution. His undeniable skill is manifestly subordinated to the overall goal of creating literal, conventional depictions of The Three Stooges so as to exploit their fame. Indeed, were we to decide that Saderup's depictions were protected by the First Amendment, we cannot perceive how the right of publicity would remain a viable right other than in cases of falsified celebrity endorsements.

Moreover, the marketability and economic value of Saderup's work derives primarily from the fame of the celebrities depicted. While that fact alone does not necessarily mean the work receives no First Amendment protection, we can perceive no transformative elements in Saderup's works that would require such protection.

Saderup argues that it would be incongruous and unjust to protect parodies and other distortions of celebrity figures but not wholesome, reverential portraits of such celebrities. The test we articulate today, however,

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realized the deeper meaning of Mao before he saw these pictures?" (DeLillo, Mao II (1991) p. 21.)

does not express a value judgment or preference for one type of depiction over another. Rather, it reflects a recognition that the Legislature has granted to the heirs and assigns of celebrities the property right to exploit the celebrities' images, and that certain forms of expressive activity protected by the First Amendment fall outside the boundaries of that right. Stated another way, we are concerned not with whether conventional celebrity images should be produced but with who produces them and, more pertinently, who appropriates the value from their production. Thus, under section 990, if Saderup wishes to continue to depict The Three Stooges as he has done, he may do so only with the consent of the right-of-publicity holder.

IV. Disposition

The judgment of the Court of Appeal is affirmed.

MOSK, J.

WE CONCUR: GEORGE, C.J.
KENNARD, J.
BAXTER, J.
WERDEGAR, J.
CHIN, J.
BROWN, J.

APPENDIX I

Gary Gilmore

APPENDIX B

Filed 12/15/98

CERTIFIED FOR PUBLICATION

IN THE COURT OF APPEAL OF THE
STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

DIVISION TWO

COMEDY III PRODUCTIONS, INC., Plaintiff and Respondent, v. GARY SADERUP, INC., et al., Defendants and Appellants.	B120382 (Super. Ct. No. EC 020205)

APPEAL from a judgment of the Superior Court of Los Angeles County. Judge Carl J. West. Modified and affirmed.

Cooper, Kardaras & Scharf, Brand Cooper, Victor E. Aguilera, Edward C. Wilde and Stuart L. Brody for Defendants and Appellants.

Benjamin, Lugosi & Benjamin, Bela G. Lugosi, Robert N. Benjamin and Caroline H. Mankey for Plaintiff and Respondent.

* * *

Civil Code section 990 provides for liability for the use of a deceased personality's likeness "on or in products, merchandise, or goods."[1] In this case, the trial court rendered judgment for damages under the statute, and an injunction, against an individual and a corporation that had sold lithographed copies of a sketch of the likenesses of three such personalities – the Three Stooges – as well as T-shirts bearing reproductions of the sketch. Appealing, the defendants contend that these uses were exempt from liability under section 990, either by its terms or by reason of constitutional protections of free speech. We affirm the judgment for damages, but modify it to delete the injunctive provisions.

FACTS

Plaintiff, Comedy III Productions, Inc., brought this action against defendants, Gary Saderup (Saderup) and Gary Saderup, Inc., seeking damages and injunctive relief for violation of section 990 and related business torts. The action was also commenced by an unrelated celebrity, whose claims were settled before trial. Plaintiff's case was tried on stipulated facts, and exhibits, to the following effect.

Plaintiff is the registered owner of all rights, under section 990, to the Three Stooges, who are deceased personalities within the meaning of the section. By his account, Saderup is an artist with substantial experience in doing charcoal sketches of celebrities. These sketches

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[1] Undesignated section references are to the Civil Code. Undesignated subdivision references are to section 990.

are used to create lithographic and silk screen "masters," which in turn are used to produce multiple reproductions of the sketches, respectively as prints and as images on T-shirts. Saderup is involved in the silk screening and lithographic processes.

Without plaintiff's consent or license, defendants sold prints and T-shirts bearing likenesses of the Three Stooges, derived from a charcoal sketch by Saderup. As exemplified by copies in evidence, the likenesses are representational and unadorned, except by Saderup's signature. Defendants profited $75,000 from their sales of the prints and T-shirts. Finally, the prints and T-shirts did not constitute an advertisement, endorsement, or sponsorship of any particular product. It was also stipulated that each side in the case had incurred attorney fees of $150,000.

Based upon these facts, the trial court found that defendants had violated section 990, by engaging, without plaintiff's consent, in a commercial enterprise involving the sale of products using the likeness of the Three Stooges. The court held that the enterprise and sales were not protected by constitutional free speech guarantees. Accordingly, defendants were liable, under section 990, for the $75,000 profits, and for attorney fees of $150,000, which the court found to be reasonable. In addition, the judgment broadly enjoined defendants from utilizing the image of the Three Stooges on lithographs, T-shirts, or other products.

DISCUSSION

1. Section 990.

This case concerns the right of publicity, which involves the right to exploit one's name and persona commercially, and to restrict their commercial appropriation or exploitation by others. In *Lugosi v. Universal Pictures* (1979) 25 Cal.3d 813 (*Lugosi*), our Supreme Court held, to quote a companion case, "that the right of publicity protects against the unauthorized use of one's name, likeness or personality, but that the right is not descendible and expires upon the death of the person so protected." (*Guglielmi v. Spelling-Goldberg Productions* (1979) 25 Cal.3d 860, 861 (*Guglielmi*).) In 1984, the Legislature, by section 990, extended protection of the right of publicity to the heirs and assignees of "deceased personalities," as defined. (Subd. (h).)[2] The same act also amended section 3344, a preexisting provision that affords a similar right of action to living persons.

Section 990's primary provision states that "Any person who uses a deceased personality's name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods, or services, without prior consent from the person or persons specified in subdivision (c), shall be liable for any damages sustained by the

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[2] Subdivision (h) defines " 'deceased personality' " to mean a person "whose name, voice, signature, photograph, or likeness has commercial value at the time of his or her death," whether or not the person used those elements on or in products or for purposes of advertising or selling while living.

person or persons injured as a result thereof. . . . " (Subd. (a).) The amounts recoverable include "any profits from the unauthorized use that are attributable to the use. . . . " (*Ibid.*)

Subdivision (b) of section 990 provides that "The rights recognized under this section are property rights, freely transferable, in whole or in part," before or after the deceased personality's death, "by contract or by means of trust or testamentary documents. . . . " Consent for use must be obtained from such a transferee, or, if there is none, from certain described descendants of the decedent. (Subds.(c), (d).) If there is no such transferee or descendant, the rights terminate. (Subd. (e).) All actions under the statute must be commenced within 50 years after the deceased personality's death. (Subd. (g).) Suit must be preceded by registration with the Secretary of State of the successor in interest's claim to the rights. (Subd. (f).)

Other subdivisions of section 990 provide exemptions from liability or the requirement of consent for use. Under subdivision (j), use of a name, likeness, etc., "in connection with any news, public affairs, or sports broadcast or account, or any political campaign," does not require consent.[3] Subdivision (k) provides that use in a "commercial medium" does not require consent solely because the material is commercially sponsored or contains paid advertising. "Rather it shall be a question of fact whether or not the use . . . was so directly connected"

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[3] An identical provision appears in section 3344, subdivision (d).

with the sponsorship or advertising as to require consent. Subdivision (l) exempts from the statute the owners and employees of media used for advertising, unless it is shown that they had knowledge of the unauthorized advertising use as prohibited. Finally, subdivision (n) provides that "This section shall not apply to the use of a deceased personality's name, voice, signature, photograph, or likeness, in any of the following instances: [¶] (1) A play, book, magazine, newspaper, musical composition, film, radio or television program, other than an advertisement or commercial announcement not exempt under paragraph (4). [¶] (2) Material that is of political or newsworthy value. [¶] (3) Single and original works of art. [¶] (4) An advertisement or commercial announcement for a use permitted by paragraph (1), (2), or (3)."[4]

2. *The Statutory Issues.*

There is no question regarding several of the elements of liability under section 990 in this case. Plaintiff is the duly registered successor to the rights of the Three Stooges, who are deceased personalities, and defendants used their likenesses on prints and T-shirts without plaintiff's consent. Defendants nevertheless assert that their conduct did not fall within the terms of the statute, for several reasons.

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[4] Subdivision (i) of section 990 defines " 'photograph' " for the statute's purposes. Subdivision (m) states that "The remedies provided for in this section are cumulative and shall be in addition to any others provided for by law."

Defendants first contend that their T-shirts and prints were not within the reach of section 990, subdivision (a), because it restricts only the use of a deceased personality's name, likeness, and so forth "on or in products, merchandise, or goods." In other words, the product must be something besides the likeness, which is all, defendants say, that they sold here. We cannot agree.

Defendants' T-shirts, decorated with likenesses of the Three Stooges, unquestionably fall within section 990, subdivision (a)'s broad reference to "products, merchandise, or goods." Although, as noted below, T-shirts have been recognized as media for the display of messages, they still constitute garments, without regard to any words, insignia, or images with which they may be decorated. Use of the Three Stooges' likenesses on defendants' T-shirts therefore was a use on goods or products, just as would be embroidering those likenesses on denim jackets or weaving them into neckties.

The same is true for the lithographic prints. They are tangible, marketable products, consisting of paper, ink, and the imprint of Saderup's charcoal sketch, and amenable to any use to which a buyer may wish to put them. Although the prints do contain the likenesses of the Three Stooges, it is also true that by producing and selling them defendants used those likenesses "on or in products, merchandise, or goods." (Subd. (a).)[5]

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[5] Although resort to legislative history is not necessary for our application of section 990, we note that a legislative staff report, generated during consideration of the bill that enacted the statute, observed that the objects of the bill included deceased celebrity " 'posters, T-shirts, porcelain plates, and

Defendants' broader contention that section 990, subdivision (a) addresses only advertising uses of name or likeness is entirely unfounded. The subdivision speaks of uses both "on or in products" and "for purposes of advertising or selling . . . products. . . . " Defendants' argument that the first phrase is redundant of the second, and therefore the statute must be read as limited to advertising uses, is incorrect, both verbally and practically. There is an obvious difference between, for example, placing a celebrity's name on a "special edition" of a vehicle, and using that name in a commercial to endorse or tout the same or another vehicle. (Cf. *Welton v. City of Los Angeles* (1976) 18 Cal.3d 497, 503.) The statute plainly covers both types of uses.[6]

Defendants also contend that their uses of the Three Stooges' likenesses did not violate section 990 by reason of subdivision (n)(2), which provides that the statute shall not apply to use of a deceased personality's name, likeness, etc., in "Material that is of political or newsworthy value." Defendants argue that this exemption applies because the Three Stooges presently remain newsworthy.

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other collectibles.' " (Assem. Com. on Judiciary, Staff Report on Sen. Bill No. 613 (1983-1984 Reg. Sess.) June 18, 1984, p. 4; see *Astaire v. Best Film & Video Corp.* (9th Cir. 1997) 116 F.3d 1297, 1303.)

[6] Defendants cite *Eastwood v. Superior Court* (1983) 149 Cal.App.3d 409, 417, to the effect that the companion section, section 3344, is limited to advertising uses. But *Eastwood* was decided before the Legislature, in 1984, amended section 3344, adding to it "on or in products" language identical to that of section 990, subdivision (a). (See § 3344, subd. (a).)

We find this argument unsupported by the statutory text and its manifest purpose.

The exemption declared by section 990, subdivision (n)(2) does not hinge simply on whether a deceased personality is "newsworthy." If it did, the successors of any celebrity who could so be deemed would have no rights at all under section 990. Rather, subdivision (n)(2) speaks of "Material that is . . . newsworthy. . . . " Read in conjunction with the rest of the subdivision, subdivision (n)(2) contemplates an exemption for uses of name and likeness in or in connection with newsworthy material, not an open-ended right to use the likenesses of newsworthy individuals.

Defendants' principal case authorities confirm this. In *Dora v. Frontline Video, Inc.* (1993) 15 Cal.App.4th 536 (*Dora*), this court considered a suit for commercial appropriation of name, voice, and likeness, under common law and section 3344, brought by a retired expert surfer against the producers of a video documentary about the early days of surfing at Malibu. We affirmed a judgment for the defendant, because the film and its content qualified for established public interest and public affairs (§ 3344, subd. (d)) exemptions from liability, which we also analyzed under the rubric of "newsworthy." (*Dora, supra,* at pp. 542-546.) It was the public interest of the subject matter, and its presentation using the plaintiff's voice and likeness, that provided the basis for exemption of those uses from liability.

Similarly, in *Montana v. San Jose Mercury News, Inc.* (1995) 34 Cal.App.4th 790 (*Montana*), the quarterback for the San Francisco 49'ers sued under section 3344 on

account of posters which reproduced his likeness as shown on newspaper pages that reported and celebrated a string of Super Bowl victories. The court affirmed summary judgment for the newspaper, on grounds that *"The Posters Reported on Newsworthy Events."* (*Montana, supra,* at p. 794.) Applying both the common law doctrine relied on in *Dora, supra,* 15 Cal.App.4th 536 and parallel First Amendment considerations, the court focused on the newsworthiness of the events in which the plaintiff was involved, not his own popularity, as precluding liability. (*Montana, supra,* at pp. 794-796; see *id* at p. 797 ["the First Amendment protects the posters . . . because the posters themselves report newsworthy items of public interest. . . . "].)

The exemption by section 990, subdivision (n)(2) of uses in newsworthy material reflects the same concerns – with allowing commercial breathing space for dissemination of knowledge – that the foregoing cases applied to remedies for commercial use of living personalities' likenesses. Here too, the subject of the exemption is newsworthy material, not just newsworthy individuals. Although the one may engender the other, it is far too simple, and defies the statutory language and purpose, to say that defendants' prints and T-shirts were "newsworthy material" simply because the Three Stooges may yet be "newsworthy." We therefore reject defendants' contention of exemption under subdivision (n)(2).[7]

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[7] Citing *Welton v. City of Los Angeles, supra,* 18 Cal.3d at p. 504, defendants qualify their own argument by asserting that section 990, subdivision (n)(2)'s exemption for "newsworthy" material cannot constitutionally be applied, because that would

3. The Free Speech Issue.

Defendants contend that their uses of the Three Stooges' likenesses constitute a form of speech, protected by the First Amendment to the United States Constitution and article I, section 2 of the California Constitution (collectively First Amendment), and hence that as applied to these uses section 990 constitutes a presumptively impermissible, content-based restriction. For the reasons that follow, we conclude that defendants' uses are not so protected, and therefore the First Amendment does not preclude liability for them under section 990.

With reference first to the T-shirts, defendants note that contemporary federal cases have recognized that T-shirts may serve as "a medium of expression prima facie protected by the free-speech clause of the First Amendment." (*Ayres v. City of Chicago* (7th Cir.1997) 125 F.3d 1010, 1014; see also *Gaudiya Vaishnava Soc. v. City of San Francisco* (9th Cir. 1990) 952 F.2d 1059, 1063-1065.) But the T-shirts in those cases carried "messages," and it was the presence of these "political, religious, philosophical or ideological message[s]" (*id.* at p. 1063) that rendered the shirts a First Amendment medium and invoked constitutional and judicial protection.[8] The same holds true

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be a "content-based" regulation of speech. (See *Shulman v. Group W Productions, Inc.* (1998) 18 Cal.4th 200, 244-247 (conc. opn. of Kennard, J.).) But this assertion begs the question discussed in the next section of this opinion: whether defendants' uses of the Three Stooges' likenesses constitute constitutionally protected speech.

[8] It goes without saying that this list does not exhaust the types of communication subject to First Amendment protection.

with respect to the vulgar protest of the draft that was held protected when displayed on a jacket in *Cohen v. California* (1971) 403 U.S. 15. In the present case, however, there is neither contention nor demonstration that defendants sought to convey or sell a message of any type in or on their T-shirts, or for that matter their prints. With respect to both, defendants have expressly averred that what they sold was no more or less than the Three Stooges' likenesses. (Cf. *Brockum Co., A Div. of Krimson Corp. v. Blaylock* (E.D.Pa. 1990) 729 F.Supp. 438, 446 ["The unauthorized printing on defendant's T-shirts of the name 'The Rolling Stones' is a violation of the right of publicity of that musical performing group."].)

The distinction, for First Amendment purposes, between using a celebrity's image to convey an informational or other type of message and merely selling a representation of the image, has been drawn and observed in cases involving claims that posters bearing celebrity likenesses or photographs infringed the right of publicity. As previously discussed, in *Montana, supra*, 34 Cal.App.4th 790, the court held nonactionable the use of Joe Montana's likeness on posters that reported newsworthy events. The court cited *Paulsen v. Personality Posters, Inc.* (1968) 59 Misc.2d 444 [299 N.Y.S.2d 501], in which a comedian who had conducted a mock presidential campaign was denied an injunction against the selling of posters bearing his photograph and the legend, "FOR PRESIDENT." Those posters were held to be "sufficiently relevant to a matter of public interest to be a form of expression which is constitutionally protected. . . . " (*Id.* at p. 450 [299 N.Y.S.2d at p. 508]; cf. *Cardtoons v. Major League Baseball Players* (10th Cir. 1996) 95 F.3d 959 [use of

players' likenesses on trading cards which parodied the players not actionable].) On the other hand, in *Factors etc., Inc. v. Pro Arts, Inc.* (2d Cir. 1978) 579 F.2d 215, 222, the court distinguished *Paulsen* and upheld a preliminary injunction against a poster of Elvis Presley, bearing the words, " 'IN MEMORY' " and the singer's years of birth and death, ruling that it was a mere use of likeness and "not privileged as celebrating a newsworthy event."

Chief Justice Bird drew the same distinction in her separate opinions in *Lugosi, supra,* 25 Cal.3d 813, and *Guglielmi, supra,* 25 Cal.3d 860, which were joined respectively by two and (on the First Amendment issues) three other justices. (See *id.* at p. 876.) The Chief Justice espoused a broad First Amendment exemption from right of publicity liability for the use of deceased celebrity names and likenesses in expressive communication. (*Guglielmi, supra,* at pp. 865-870 (conc. opn. of Bird, C.J.).) However, the opinions distinguished non-informational, commercial uses such as on T-shirts, as "hardly implicat [ing] the First Amendment." (*Lugosi, supra,* at p. 851 (dis. opn. of Bird, C.J.); see *Guglielmi, supra,* at p. 874 (conc. opn. of Bird., C.J.).)

Defendants contend, however, that reproductions of their likenesses of the Three Stooges, based on Saderup's charcoal sketch of the trio, must command full First Amendment protection, as art. Defendants rely principally on *Bery v. City of New York* (2d Cir.1996) 97 F.3d 689 (*Bery*), in which a municipal law requiring permits for street vending of goods was held unconstitutional in its application to a group of painters, sculptors, and photographers. Rejecting the trial court's view that the plaintiffs' artwork merited only a secondary level of

constitutional protection, the Court of Appeals opined that "Visual art is as wide ranging in its depiction of ideas, concepts and emotions as any book, treatise, pamphlet or other writing, and is similarly entitled to full First Amendment protection." (*Id.* at p. 695, fn. omitted.) The court observed that the communicative power of art may occasionally surpass that of the written word, both in directness of expression and in the number of persons who may be reached. (*Ibid.*) Having so ruled, the court found the ordinance invalid as applied to the plaintiffs, because it discriminated by content (written matter having been exempted), effectively prohibited the plaintiffs from selling, and was not narrowly drawn.

Defendants' effort to apply *Bery, supra*, 97 F.3d 689, and its protection of art to their multiple reproductions for sale of the Three Stooges' likenesses is unpersuasive, because it essentially proves too much. First, that the original image from which those reproductions were made may have been individually drawn does not, necessarily or demonstrably, render them expressive of any message, idea, emotion – or anything, other than the likenesses of the Three Stooges. Second, to say that defendants' T-shirts and prints must be constitutionally considered art, because they reproduce a sketch, would in essence mean that the First Amendment would shield virtually any representation of likeness from coverage by section 990. A recent decision applying section 3344 noted that "a likeness is a visual image of a person other than a photograph. . . . " (*Newcombe v. Adolf Coors Company* (9th Cir. 1998) 157 F.3d 686, 693.) Moreover, the uses of likeness on target games, pencil sharpeners and swizzle sticks, which were dismissed by three justices in *Lugosi,*

supra, as "hardly implica[ting] the First Amendment" (25 Cal.3d at p. 851 (dis. opn. of Bird., C.J.); see also *Guglielmi, supra*, 25 Cal.3d at p. 874 (conc. opn. of Bird, C.J.)), could well have been derived from hand-drawn or otherwise personally rendered originals. Simply put, although the First Amendment protects speech that is sold (e.g., *Spiritual Psychic Science Church v. City of Azusa* (1985) 39 Cal.3d 501, 509), reproductions of an image, made to be sold for profit, do not per se constitute speech.

Defendants make a correlative argument, with respect to subdivision (n)(3) of section 990, which exempts uses of deceased personalities' likenesses in "Single and original works of fine art." Defendants note that section 982, subdivision (c) provides that upon an artist's sale of a work of fine art, as broadly defined in section 982, subdivision (d)(1), the "right of reproduction" (as defined in section 982, subdivision (d)(3)) remains with the artist, unless otherwise transferred. Defendants therefore argue that section 990, subdivision (n)(3)'s "single and original" exemption constitutes a conflicting and unconstitutional quantitative limitation of artists' rights to reproduce and sell their work.

This argument begs the question. First, section 982, subdivision (c) does not purport to confer an omnibus right to reproduce and sell. It provides who shall have the right of reproduction, and it must be read in harmony with the subsequently enacted section 990. Second, assuming arguendo that Saderup's charcoal sketch falls within the broad definition of "fine art" in section 982, subdivision (d)(1), that does not necessarily render sale of

reproductions of it subject to First Amendment protection. The Civil Code also contains other definitions of "fine art" that are limited to original works. (§§ 986, subd. (c)(2), 987, subd. (b)(2), 989, subd. (b)(1).) Defendants have still failed to establish that their commercial reproductions of Saderup's sketch constitute art or speech as a constitutional matter.

The statute at issue in this case, section 990, does not seek to regulate protected speech, but rather to secure and protect a declared interest in property. (Subd. (b).) In so doing, section 990 resembles the nation's copyright, patent, trademark and tradename laws. That resemblance was noted by the United States Supreme Court, in its one decision that considered, and rejected, a First Amendment defense to liability for infringement of the right of publicity. (*Zacchini v. Scripps-Howard Broadcasting Co.* (1977) 433 U.S. 562, 576-577.) Section 990 nonetheless makes plentiful allowance for uses of deceased personalities' likenesses that could summon First Amendment protection. The statute exempts newsworthy material, as well as a host of other expressive materials and media. (Subds.(j), (k), (l), (n).) These exemptions have been perceived as intended in some respects to exceed the requirements of the First Amendment. (*Astaire v. Best Film & Video Corp., supra,* 116 F.3d at p. 1303.) Defendants' products, however, do not fall within any of them. Instead, defendants seek protection for nothing more than the general sale of likenesses of the Three Stooges – that is, plaintiff's property. Defendants have not shown, and we cannot conclude, that this commercial appropriation constitutes protected speech.

4. The Injunction.

Defendants' final contention is that plaintiff did not establish entitlement to injunctive relief, and that the injunctive portions of the judgment are overbroad. With this contention we agree.

The complaint in this case alleged that defendants had refused plaintiff's demands to cease using the Three Stooges' likenesses, and that plaintiff was undergoing irreparable injury from those uses. Plaintiff prayed generally for temporary and permanent injunctive relief, as well as damages. No motion for temporary restraining order or preliminary injunction appears to have followed. At trial, the stipulated evidence, previously summarized, did not reflect a threat of continuing or expanded use by plaintiff. Nevertheless, the court in its oral decision announced that it would issue a permanent injunction, enjoining defendants from violating section 990 "through the use of the likeness of the Three Stooges, either in lithographs, T-shirts or any other medium by which the defendant, Gary Saderup's art work may be sold or marketed."

The final judgment, prepared by plaintiff, went further. In addition to the court's language, the judgment in paragraph 2(A)(ii) enjoined defendants from "Creating, producing, reproducing, copying, distributing, selling or exhibiting any lithographs, prints, posters, t-shirts, buttons, or other goods, products or merchandise of any kind, bearing the photograph, image, face, symbols, trademarks, likeness, name, voice or signature of The

Three Stooges or any of the individual members of The Three Stooges."[9]

For several reasons, we agree with defendants that the permanent injunction was inappropriately imposed. First, plaintiff did not prove a likelihood that defendants would continue to violate section 990 in the future. Such a probability of recurrence is generally a prerequisite for permanent injunctive relief. (*Feminist Women's Health Center v. Blythe* (1995) 32 Cal.App.4th 1641, 1658; *Donald v. Cafe Royale, Inc.* (1990) 218 Cal.App.3d 168, 184.) Second, the language of paragraph 2(A)(ii) extends beyond the terms and subject matter of section 990, and the issues in this case, to "symbols" and trademarks. It also addresses all "goods, products, or merchandise," without regard to the exceptions of section 990, subdivision (n). Third, by covering all such items, their creation, exhibition, and sale, and "any other medium by which [Saderup's] art work may be sold," the injunction could extend to matters and conduct protected by the First Amendment, along with unprotected activity. Accordingly, we shall modify the judgment to eliminate its injunctive provisions.[10]

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[9] Specifically excepted was Saderup's single charcoal sketch from which the reproductions in this case were derived.

[10] Notwithstanding this disposition, plaintiff remains the prevailing party in the action, with respect to attorney fees on appeal. (See § 990, subd. (a).)

DISPOSITION

The judgment is modified by deleting paragraph 2, and as modified is affirmed. Plaintiff shall recover costs.

FUKUTO, J.

We concur:

BOREN, P.J.

ZEBROWSKI, J.

APPENDIX C

BENJAMIN, LUGOSI & BENJAMIN, LLP
Bela G. Lugosi, State Bar No. 35663
Caroline H. Mankey, State Bar No. 187302
520 North Central Avenue, Suite 800
Glendale, California 91203

Telephone: (818) 502-8400

Attorneys for Plaintiffs
Comedy III Productions, Inc.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

COMEDY III PRODUCTIONS, INC., a California corporation, and SHAQUILLE O'NEAL, an individual, Plaintiffs, vs. GARY SADERUP, INC., a California corporation, GARY SADERUP, an individual, and DOES 1 through 50, inclusive, Defendants.	Case No.: EC020205 JUDGMENT (FILED JAN. 08 1998)

The case of *Comedy III Productions, Inc. et al., vs. Gary Saderup, Inc., et al.*, Los Angeles Superior Court Case No. EC020205 came on regularly for trial on December 9, 1997, in Dept. "B" of the Superior Court located at 300 E. Olive Avenue, Burbank, California, the Honorable Carl West, Judge presiding; Plaintiff Shaquille O'Neal having

dismissed this action with prejudice pursuant to a stipulated settlement with mutual releases and cost waivers which was put on the record in open court; Plaintiff Comedy III Productions, Inc. appearing by attorneys Benjamin, Lugosi & Benjamin by Bela G. Lugosi, Robert N. Benjamin and Caroline H. Mankey; Defendants Gary Saderup and Gary Saderup, Inc. appearing by attorneys Cooper, Kardaras, & Scharf by Victor Aguilera and Edward C. Wilde; the Doe Defendants having been dismissed; and all parties having stipulated to a waiver of trial by jury and to submit the case to the Court on stipulated facts.

All parties stipulated to the following facts on the record in open court on December 9, 1997:

(1) The sketches, lithographs and T-shirts contain the likeness of the Three Stooges.

(2) All sales by the defendants of sketches, lithographs or T-shirts were made without a license from the plaintiff.

(3) The defendants engaged in the selling of T-shirts bearing the likeness of the Three Stooges.

(4) The defendants engaged in the selling of lithographs bearing the likeness of the Three Stooges.

(5) The Three Stooges are deceased celebrities within the meaning of Civil Code Section 990.

(6) The T-shirts and lithographs bearing the likeness of the Three Stooges did not constitute an advertisement or endorsement or sponsorship of any particular product.

(7) If Mr. Gary Saderup were called to testify, he would testify as follows: He is an artist with over 25 years experience doing charcoal sketches of celebrity subjects. His charcoal sketches are used as the basis for creation of lithographic and silk screen masters, which are then used to mechanically produce multiple reproductions of the sketches. He actually creates the charcoal sketches, and is involved in the silk screening and lithographic process.

(8) The silk screening and lithographic processes used by Mr. Saderup are commonly used in the graphics industry to create images on T-shirts and to create lithographic prints.

(9) Comedy III Productions, Inc. is the owner of the rights to the Three Stooges.

(10) The defendants' profits from the sale of the unlicensed lithographs and T-shirts are $75,000.

(11) Each side has incurred attorney's fees to date in the sum of $150,000.

(12) Those attorney's fees are reasonable fees for purposes of the Court's determination of the award of reasonable fees.

No witnesses were sworn or testified. Documentary and physical evidence was received by stipulation. The Court accepted the stipulations. After hearing the stipulated facts and considering prior argument of counsel including on the constitutional issues raised by Defendants, the court deemed the case was submitted to the court without a jury.

The Court found that Plaintiff Comedy III Productions, Inc. is the owner of the rights to the likeness of the

Three Stooges as depicted in Exhibits 1 and 2 in evidence; the Defendants are in violation of the provisions of Civil Code Section 990; there is no sponsorship, advertisement or endorsement involved in the case or in the products sold by Defendants; the products sold by the Defendants are, in fact, lithographs and T-shirts with the likeness of the Three Stooges; the lithographs and T-shirts sold by the Defendants are not single original works of art within the meaning of Section 990; the commercial enterprise conducted by the Defendants involves the sale of lithographs and T-shirts which are not original single works of art, and which are not protected by the First Amendment; the enterprise conducted by the Defendants was a commercial enterprise designed to generate profits solely from the use of the likeness of the Three Stooges which is the right of publicity which is protected by Section 990; Plaintiffs are entitled to a judgment in the sum of $75,000, the same representing profits which the Defendants have stipulated were received as a result of the unlicensed sale of the lithographs and T-shirts; and, the sum of $150,000 is reasonable attorney's fees to be awarded to the Plaintiff pursuant to statute.

NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED as follows:

1. *Monetary Damages.* Plaintiff Comedy III Productions, Inc. shall have and recover from Defendants Gary Saderup and Gary Saderup, Inc., and each of them, jointly and severally, damages by way of Defendants' profits from the unauthorized use of the likeness of The Three Stooges on or in products, merchandise, or goods that are attributable to the use, in the amount of $75,000 under the

First Cause of Action for invasion of the right of publicity, Civil Code § 990.

2. *Injunction.* Plaintiff Comedy III Productions, Inc. shall have judgment against Defendants Gary Saderup and Gary Saderup, Inc. on the Fourth Cause of Action for unfair competition and on the First Cause of Action for invasion of the right of publicity, for a permanent injunction, permanently enjoining and restraining said Defendants, as follows:

A. The above named Defendants, and each of them, and their officers, agents, employees, servants, representatives, and all persons acting on their behalf or in concert or participating with them, shall be and they are hereby permanently enjoined and restrained from engaging in, committing, performing, directly or indirectly, by any means whatsoever any of the following acts:

(i) Any future or continuing violations of the provisions of Civil Code Section 990 through the use of the likeness of the Three Stooges, either in lithographs, T-shirts or any other medium by which the Defendant Gary Saderup's art work may be sold or marketed; and

(ii) Creating, producing, reproducing, copying, distributing, selling or exhibiting any lithographs, prints, posters, t-shirts, buttons, or other goods, products or merchandise of any kind, bearing the photograph, image, face, symbols, trademarks, likeness, name, voice or signature of The Three Stooges or any of the individual members of The Three Stooges.

B. Notwithstanding the foregoing, Defendants are not enjoined with respect to the one (1) original

charcoal drawing of The Three Stooges, hand drawn by Gary Saderup, which was used as the basis for creation of the T-shirts, lithographs and other products, goods and merchandise which are the subject of this action.

C. The court reserves jurisdiction to modify and enforce this injunction, as the ends of justice may require.

3. *Attorneys' Fees and Costs.* Plaintiff Comedy III Productions, Inc. is the prevailing party with respect to an award of attorneys' fees and costs under Civil Code § 990 as to Defendants Gary Saderup and Gary Saderup, Inc.

BE IT FURTHER ORDERED, ADJUDGED AND DECREED that Plaintiff Comedy III Productions, Inc. shall also have and recover from Gary Saderup and Gary Saderup, Inc., and each of them, both jointly and severally, costs and disbursements including reasonable attorneys' fees through the date of this Judgment in the sum of $150,000, for the total judgment of $225,000, plus costs in the sum of $___.

JAN 08 1998

DATED: December ___, 1997

/s/ Carl J. West
Carl J. West
Honorable Carl West
Judge of the Superior Court

Submitted by:

BENJAMIN, LUGOSI & BENJAMIN, LLP

By: /s/ Caroline Mankey for Bela G. Lugosi

Attorneys for Plaintiff Comedy III Productions, Inc.

APPENDIX D

FORMER CALIFORNIA CIVIL CODE SECTION 990

(Now Cal. Civil Code Section 3344.1, as amended)

§ 990. Deceased personality's name, voice, signature, photograph or likeness; unauthorized use; damages and profits from use; persons entitled to exercise rights; successors in interest or licensees; registration of claim; uses not requiring consent

(a) Any person who uses a deceased personality's name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods, or services, without prior consent from the person or persons specified in subdivision (c), shall be liable for any damages sustained by the person or persons injured as a result thereof. In addition, in any action brought under this section, the person who violated the section shall be liable to the injured party or parties in an amount equal to the greater of seven hundred fifty dollars ($750) or the actual damages suffered by the injured party or parties, as a result of the unauthorized use, and any profits from the unauthorized use that are attributable to the use and are not taken into account in computing the actual damages. In establishing these profits, the injured party or parties shall be required to present proof only of the gross revenue attributable to the use and the person who violated the section is required to prove his or her deductible expenses. Punitive damages may also be awarded to the injured party or parties. The prevailing party or parties in any action under this section shall also be entitled to attorneys' fees and costs.

(b) The rights recognized under this section are property rights, freely transferable, in whole or in part, by contract or by means of trust or testamentary documents, whether the transfer occurs before the death of the deceased personality, by the deceased personality or his or her transferees, or, after the death of the deceased personality, by the person or persons in whom the rights vest under this section or the transferees of that person or persons.

(c) The consent required by this section shall be exercisable by the person or persons to whom the right of consent (or portion thereof) has been transferred in accordance with subdivision (b), or if no such transfer has occurred, then by the person or persons to whom the right of consent (or portion thereof) has passed in accordance with subdivision (d).

(d) Subject to subdivisions (b) and (c), after the death of any person, the rights under this section shall belong to the following person or persons and may be exercised, on behalf of and for the benefit of all of those persons, by those persons who, in the aggregate, are entitled to more than a one-half interest in the rights:

(1) The entire interest in those rights belong to the surviving spouse of the deceased personality unless there are any surviving children or grandchildren of the deceased personality, in which case one-half of the entire interest in those rights belong to the surviving spouse.

(2) The entire interest in those rights belong to the surviving children of the deceased personality and to the surviving children of any dead child of the deceased

personality unless the deceased personality has a surviving spouse, in which case the ownership of a one-half interest in rights is divided among the surviving children and grandchildren.

(3) If there is no surviving spouse, and no surviving children or grandchildren, then the entire interest in those rights belong to the surviving parent or parents of the deceased personality.

(4) The rights of the deceased personality's children and grandchildren are in all cases divided among them and exercisable in the manner provided in Section 240 of the Probate Code according to the number of the deceased personality's children represented; the share of the children of a dead child of a deceased personality can be exercised only by the action of a majority of them. * * *

(e) If any deceased personality does not transfer his or her rights under this section by contract, or by means of a trust or testamentary document, and there are no surviving persons as described in subdivision (d), then the rights set forth in subdivision (a) shall terminate.

(f)(1) A successor-in-interest to the rights of a deceased personality under this section or a licensee thereof may not recover damages for a use prohibited by this section that occurs before the successor-in-interest or licensee registers a claim of the rights under paragraph (2).

(2) Any person claiming to be a successor-in-interest to the rights of a deceased personality under this section or a licensee thereof may register that claim with

the Secretary of State on a form prescribed by the Secretary of State and upon payment of a fee of ten dollars ($10). The form shall be verified and shall include the name and date of death of the deceased personality, the name and address of the claimant, the basis of the claim, and the rights claimed.

(3) Upon receipt and after filing of any document under this section, the Secretary of State may microfilm or reproduce by other techniques any of the filings or documents and destroy the original filing or document. The microfilm or other reproduction of any document under the provision of this section shall be admissible in any court of law. The microfilm or other reproduction of any document may be destroyed by the Secretary of State 50 years after the death of the personality named therein.

(4) Claims registered under this subdivision shall be public records.

(g) No action shall be brought under this section by reason of any use of a deceased personality's name, voice, signature, photograph, or likeness occurring after the expiration of 50 years from the death of the deceased personality.

(h) As used in this section, "deceased personality" means any natural person whose name, voice, signature, photograph, or likeness has commercial value at the time of his or her death, whether or not during the lifetime of that natural person the person used his or her name, voice, signature, photograph, or likeness on or in products, merchandise or goods, or for purposes of advertising or selling, or solicitation of purchase of, products, merchandise, goods or service. A "deceased personality"

shall include, without limitation, any such natural person who has died within 50 years prior to January 1, 1985.

(i) As used in this section, "photograph" means any photograph or photographic reproduction, still or moving, or any video tape or live television transmission, of any person, such that the deceased personality is readily identifiable. A deceased personality shall be deemed to be readily identifiable from a photograph when one who views the photograph with the naked eye can reasonably determine who the person depicted in the photograph is.

(j) For purposes of this section, a use of a name, voice, signature, photograph, or likeness in connection with any news, public affairs, or sports broadcast or account, or any political campaign, shall not constitute a use for which consent is required under subdivision (a).

(k) The use of a name, voice, signature, photograph, or likeness in a commercial medium shall not constitute a use for which consent is required under subdivision (a) solely because the material containing the use is commercially sponsored or contains paid advertising. Rather it shall be a question of fact whether or not the use of the deceased personality's name, voice, signature, photograph, or likeness was so directly connected with the commercial sponsorship or with the paid advertising as to constitute a use for which consent is required under subdivision (a).

(*l*) Nothing in this section shall apply to the owners or employees of any medium used for advertising, including, but not limited to, newspapers, magazines, radio and television networks and stations, cable television systems, billboards, and transit ads, by whom any

advertisement or solicitation in violation of this section is published or disseminated, unless it is established that the owners or employees had knowledge of the unauthorized use of the deceased personality's name, voice, signature, photograph, or likeness as prohibited by this section.

(m) The remedies provided for in this section are cumulative and shall be in addition to any others provided for by law.

(n) This section shall not apply to the use of a deceased personality's name, voice, signature, photograph, or likeness, in any of the following instances:

(1) A play, book, magazine, newspaper, musical composition, film, radio or television program, other than an advertisement or commercial announcement not exempt under paragraph (4).

(2) Material that is of political or newsworthy value.

(3) Single and original works of fine art.

(4) An advertisement or commercial announcement for a use permitted by paragraph (1), (2), or (3). (*Added by Stats. 1984, c. 1704, § 1. Amended by Stats. 1988, c. 113, § 2, eff. May 25, 1988, operative July 1, 1988.*)

APPENDIX E

U.S. Constitution, Amendment I

The First Amendment to the United States Constitution provides, in relevant part, that:

> "Congress shall make no law . . . abridging the freedom of speech, or of the press. . . . "

APPENDIX F

FOR PUBLICATION
UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

DUSTIN HOFFMAN,
Plaintiff-Appellee,

v.

CAPITAL CITIES/ABC, INCORPORATED,
Defendant,

and

L.A. MAGAZINE, INC.,
Defendant-Appellant,

Nos. 99-55563
99-55686

D.C. No.
CV-97-03638-DT

OPINION

Appeal from the United States District Court
for the Central District of California
Dickran M. Tevrizian, District Judge, Presiding

Argued and Submitted
October 10, 2000 – Pasadena, California

Filed July 6, 2001

Before: Robert Boochever, A. Wallace Tashima, and Richard C. Tallman, Circuit Judges.

Opinion by Judge Boochever

COUNSEL

Steven M. Perry, Munger, Tolles & Olson, Los Angeles, California, for the defendant-appellant.

Charles N. Shephard, Greenberg Glusker Fields Claman & Machtinger, Los Angeles, California, for the plaintiff-appellee.

Mark S. Lee, Manatt, Phelps & Phillips, Los Angeles, California, for amicus curiae Elvis Presley Enterprises, Inc.

Floyd Abrams and Landis C. Best, Cahill Gordon & Reindel, New York, New York, for amici curiae of Various Magazine and Newspaper Publishers, Broadcasters, Television Syndicators, and Media Associations.

OPINION

BOOCHEVER, Circuit Judge:

In 1982, actor Dustin Hoffman starred in the movie "Tootsie," playing a male actor who dresses as a woman to get a part on a television soap opera. One memorable still photograph from the movie showed Hoffman in character in a red long-sleeved sequined evening dress and high heels, posing in front of an American flag. The still carried the text, "What do you get when you cross a hopelessly straight, starving actor with a dynamite red sequined dress? You get America's hottest new actress."

In March 1997, Los Angeles Magazine ("LAM") published the "Fabulous Hollywood Issue!" An article from this issue entitled "Grand Illusions" used computer technology to alter famous film stills to make it appear that the actors were wearing Spring 1997 fashions. The sixteen familiar scenes included movies and actors such as "North by Northwest" (Cary Grant), "Saturday Night Fever" (John Travolta), "Rear Window" (Grace Kelly and Jimmy Stewart), "Gone with the Wind" (Vivian Leigh and Hattie McDaniel), "Jailhouse Rock" (Elvis Presley), "The Seven Year Itch" (Marilyn Monroe), "Thelma and Louise"

(Susan Sarandon and Geena Davis), and even "The Creature from the Black Lagoon" (with the Creature in Nike shoes). The final shot was the "Tootsie" still. The American flag and Hoffman's head remained as they appeared in the original, but Hoffman's body and his long-sleeved red sequined dress were replaced by the body of a male model in the same pose, wearing a spaghetti-strapped, cream-colored, silk evening dress and high-heeled sandals. LAM omitted the original caption. The text on the page identified the still as from the movie "Tootsie," and read, "Dustin Hoffman isn't a drag in a butter-colored silk gown by Richard Tyler and Ralph Lauren heels."

LAM did not ask Hoffman for permission to publish the altered photograph. Nor did LAM secure permission from Columbia Pictures, the copyright holder. In April 1997, Hoffman filed a complaint in California state court against LAM's parent company, Capital Cities/ABC, Inc. (now ABC, Inc. or "ABC"). The complaint alleged that LAM's publication of the altered photograph misappropriated Hoffman's name and likeness in violation of (1) the California common law right of publicity; (2) the California statutory right of publicity, Civil Code § 3344; (3) the California unfair competition statute, Business and Professions Code § 17200; and (4) the federal Lanham Act, 15 U.S.C. § 1125(a).

ABC removed the case to federal court. Hoffman added LAM as a defendant. After a bench trial, the district court found for Hoffman and against LAM on all of Hoffman's claims, rejecting LAM's defense that its use of the photograph was protected by the First Amendment. The court awarded Hoffman $1,500,000 in compensatory damages, and held that Hoffman was entitled to punitive damages

as well. *Hoffman v. Capital Cities/ABC, Inc.*, 33 F. Supp. 2d 867 (C.D.Cal.1999). After a hearing, the court awarded Hoffman $1,500,000 in punitive damages. It also held that ABC was not liable for any of LAM's actions.

Hoffman moved for an award of $415,755.41 in attorney fees. The district court granted the motion, but reduced the amount to $269,528.50.

In these appeals, LAM appeals the district court's judgment in Hoffman's favor, and the court's award of attorney fees.

ANALYSIS

California recognizes, in its common law and its statutes, "the right of a person whose identity has commercial value – most often a celebrity – to control the commercial use of that identity." *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093, 1098 (9th Cir. 1992) (as amended). Hoffman claims that LAM violated his state right of publicity by appropriating his name and likeness. He also claims that LAM violated his rights under the federal Lanham Act.

LAM replies that its challenged use of the "Tootsie" photo is protected under the First Amendment. We evaluate this defense aware of "the careful balance that courts have gradually constructed between the right of publicity and the First Amendment and federal intellectual property laws." *Landham v. Lewis Galoob Toys, Inc.*, 227 F.3d 619, 626 (6th Cir. 2000).

LAM argues that the "Grand Illusions" article and the altered "Tootsie" photograph contained therein are an expression of editorial opinion, entitled to protection

under the First Amendment. Hoffman, a public figure,[1] must therefore show that LAM, a media defendant, acted with "actual malice," that is, with knowledge that the photograph was false, or with reckless disregard for its falsity. *See New York Times Co. v. Sullivan*, 376 U.S. 254, 279-80 (1964). Because Hoffman did not produce clear and convincing evidence that LAM acted with actual malice, LAM contends that all Hoffman's claims are barred by the First Amendment.

The district court rejected this argument. First, it concluded that the magazine article was commercial speech not entitled to constitutional protection: "[t]he First Amendment does not protect the exploitative commercial use of Mr. Hoffman's name and likeness." *Hoffman*, 33 F. Supp. 2d at 874. Second, the court found that LAM acted with actual malice, and "the First Amendment does not protect knowingly false speech." *Id.* at 875.[2]

---

[1] Hoffman does not contest that he is a public figure. In fact, Hoffman alleges that he is a readily-identifiable individual whose persona has commercial value under his right of publicity claim.

[2] In *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797 (Cal. 2001), the California Supreme Court held that there was no First Amendment defense to a California right of publicity claim when "artistic expression takes the form of a literal depiction or imitation of a celebrity for commercial gain." *Id.* at 808. An artist who added "significant transformative elements" could still invoke First Amendment protection. *Id.*

Even if we were to consider LAM an "artist" and the altered "Tootsie" photograph "artistic expression" subject to the *Comedy III* decision, there is no question that LAM's publication of the "Tootsie" photograph contained "significant transformative elements." Hoffman's body was eliminated and

Commercial speech

The district court concluded that LAM's alteration of the "Tootsie" photograph was an "exploitative commercial" use not entitled to First Amendment protection. We disagree.

"Commercial speech" has special meaning in the First Amendment context. Although the boundary between commercial and noncommercial speech has yet to be clearly delineated, the "core notion of commercial speech" is that it "does no more than propose a commercial transaction." *Bolger v. Youngs Drug Prods. Corp.*, 463 U.S. 60, 66 (1983) (quotations omitted). Such speech is entitled to a measure of First Amendment protection. *See, e.g., Greater New Orleans Broad. Ass'n, Inc. v. United States*, 527 U.S. 173, 183 (1999) (setting out four-part test to evaluate constitutionality of governmental regulation of "speech that is commercial in nature"). Commercial messages, however, do not receive the same level of constitutional protection as other types of protected expression. *See 44 Liquormart, Inc. v. Rhode Island*, 517 U.S. 484, 498 (1996). False or misleading commercial speech is not protected. *See Florida Bar v. Went For It, Inc.*, 515 U.S. 618, 623-24 (1995) (commercial speech receives limited amount of protection compared to speech at core of First Amendment and may freely be regulated if it is misleading).

---

a new, differently clothed body was substituted in its place. In fact, the entire theory of Hoffman's case rests on his allegation that the photograph is not a "true" or "literal" depiction of him, but a false portrayal. Regardless of the scope of *Comedy III*, it is clear to us that it does not strip LAM of First Amendment protection.

When speech is properly classified as commercial, a public figure plaintiff does not have to show that the speaker acted with actual malice. *See Procter & Gamble Co. v. Amway Corp.*, 242 F.3d 539, 556 (5th Cir. 2001) ("Supreme Court precedent prevents us from importing the actual-malice standard into cases involving false commercial speech.").

In many right of publicity cases, the question of actual malice does not arise, because the challenged use of the celebrity's identity occurs in an advertisement that "does no more than propose a commercial transaction" and is clearly commercial speech. *See, e.g., Newcombe v. Adolf Coors Co.*, 157 F.3d 686, 691 (9th Cir. 1998) (use of pitcher's image in printed beer advertisement); *Abdul-Jabbar v. Gen. Motors Corp.*, 85 F.3d 407, 409 (9th Cir. 1996) (use of basketball star's former name in television car commercial); *Waits*, 978 F.2d at 1097-98 (use of imitation of singer's voice in radio snack-food commercial); *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1396 (9th Cir. 1992) (as amended) (use of game-show hostess's "identity" in print advertisements for electronic products); *Midler v. Ford Motor Co.*, 849 F.2d 460, 461 (9th Cir. 1988) (use in television car commercial of "sound-alike" rendition of song singer had recorded). In all these cases, the defendant used an aspect of the celebrity's identity entirely and directly for the purpose of selling a product. Such uses do not implicate the First Amendment's protection of expressions of editorial opinion. *Cf. White*, 971 F.2d at 1401 (advertisement in which "spoof" is entirely subservient to primary message to "buy" identified product not protected by First Amendment).

Hoffman points out that the body double in the "Tootsie" photograph was identified as wearing Ralph Lauren shoes and that there was a Ralph Lauren advertisement (which does not feature shoes) elsewhere in the magazine. (Insofar as the record shows, Richard Tyler, the designer of the gown, had never advertised in LAM.) Hoffman also points to the "Shopper's Guide" in the back of the magazine, which provided stores and prices for the shoes and gown.

These facts are not enough to make the "Tootsie" photograph pure commercial speech. If the altered photograph had appeared in a Ralph Lauren advertisement, then we would be facing a case much like those cited above. But LAM did not use Hoffman's image in a traditional advertisement printed merely for the purpose of selling a particular product. Insofar as the record shows, LAM did not receive any consideration from the designers for featuring their clothing in the fashion article containing the altered movie stills. Nor did the article simply advance a commercial message. "Grand Illusions" appears as a feature article on the cover of the magazine and in the table of contents. It is a complement to and a part of the issue's focus on Hollywood past and present. Viewed in context, the article as a whole is a combination of fashion photography, humor, and visual and verbal editorial comment on classic films and famous actors. Any commercial aspects are "inextricably entwined" with expressive elements, and so they cannot be separated out "from the fully protected whole." *Gaudiya Vaishnava Soc'y v. City & County of San Francisco*, 952 F.2d 1059, 1064 (9th Cir. 1990) (as amended); *see Riley v. Nat'l Fed'n of the Blind*, 487 U.S. 781, 796 (1988). "[T]here are commonsense differences

between speech that does no more than propose a commercial transaction and other varieties," *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 771 n.24 (1976) (quotations and citation omitted), and common sense tells us this is not a simple advertisement.

The district court also concluded that the article was not protected speech because it was created to "attract attention." 33 F. Supp. 2d at 874. A printed article meant to draw attention to the for-profit magazine in which it appears, however, does not fall outside of the protection of the First Amendment because it may help to sell copies. *Cf. Dworkin v. Hustler Magazine, Inc.*, 867 F.2d 1188, 1197-98 (9th Cir. 1989) (although defendant may have published feature solely or primarily to increase circulation and therefore profits, article is not thereby purely commercial or for purposes of advertising); *Leidholdt v. L.F.P. Inc.*, 860 F.2d 890, 895 (9th Cir. 1988) (same). While there was testimony that the Hollywood issue and the use of celebrities was intended in part to "rev up" the magazine's profile, that does not make the fashion article a purely "commercial" form of expression.

We conclude that LAM's publication of the altered "Tootsie" photograph was not commercial speech.

Actual malice

The district court went on to state that even if LAM could raise a First Amendment defense, LAM acted with actual malice, and "the First Amendment does not protect knowingly false speech," 33 F. Supp. 2d at 875 (citing *New York Times Co. v. Sullivan*, 376 U.S. 254 (1964)). The court found that the magazine altered Hoffman's image, and

then published that image knowing it was false and intending that the readers believe the falsehood:

> [LAM] knew that Mr. Hoffman had never worn the designer clothes he was depicted as wearing, and that what they were showing was not even his body. Moreover, [LAM] admitted that it intended to create the false impression in the minds of the public "that they were seeing Mr. Hoffman's body."

Id.

We have concluded that LAM is entitled to the full First Amendment protection accorded noncommercial speech. Because a public figure such as Hoffman can recover damages for noncommercial speech from a media organization such as LAM only by proving "actual malice," we now must determine whether the district court was correct in concluding that LAM acted with "reckless disregard for the truth" or a "high degree of awareness of probable falsity." *Harte-Hanks Communications, Inc. v. Connaughton*, 491 U.S. 657, 667 (1989) (quotations omitted).

We review the district court's finding of actual malice de novo. *Eastwood v. Nat'l Enquirer, Inc.*, 123 F.3d 1249, 1252 (9th Cir. 1997) ("First Amendment questions of constitutional fact compel us to conduct a de novo review. We ourselves must be convinced that the defendant acted with malice.") (quotations, alterations, and citation omitted); *see Bose Corp. v. Consumers Union of United States, Inc.*, 466 U.S. 485, 508 n.27 (1984). We give to "credibility determinations the special deference to which they are entitled," and then "determine whether the believed evidence establishes actual malice." *Eastwood*, 123 F.3d at 1252. We must "satisfy ourselves that plaintiff proved

malice by clear and convincing evidence, which we have described as a heavy burden, far in excess of the preponderance sufficient for most civil litigation." *Id.* (citations and quotations omitted).

We must first identify the purported false statement of fact in issue. Hoffman alleged, and the district court found, that the altered "Tootsie" photograph and the accompanying text were "false" because they created the impression that Hoffman himself posed for the altered photograph (that is, that Hoffman was wearing the Richard Tyler dress and the Ralph Lauren shoes which replaced the red sequined dress and the shoes Hoffman wore in the original photograph). To show actual malice, Hoffman must demonstrate by clear and convincing evidence that LAM intended to create the false impression in the minds of its readers that when they saw the altered "Tootsie" photograph they were seeing Hoffman's body. *See id.* It is not enough to show that LAM unknowingly misled readers into thinking Hoffman had actually posed for the altered photograph. Mere negligence is not enough to demonstrate actual malice. *Dodds v. American Broad. Co.*, 145 F.3d 1053, 1063 (9th Cir. 1998) (citing *Masson v. New Yorker Magazine, Inc.*, 501 U.S. 496, 510 (1991)). "[S]ubjective or actual intent is required and . . . 'there is no actual malice where journalists unknowingly mislead the public.' " *Id.* at 1064 (quoting *Eastwood*, 123 F.3d at 1256). The evidence must clearly and convincingly demonstrate that LAM knew (or purposefully avoided knowing) that the photograph would mislead its readers into thinking that the body in the altered photograph was Hoffman's. *See Eastwood*, 123 F.3d at 1256.

The altered photograph retains Hoffman's head and the American flag background from the "Tootsie" still, but grafts onto it a body dressed in different clothing. The body is similar in appearance to Hoffman's in the original. On the page directly facing the altered "Tootsie" photograph the magazine printed small copies of all sixteen original, unaltered stills, including the original "Tootsie" photograph. By providing a point of comparison to the original, this next page made it clear that LAM had altered the film still. This direct comparison does not, however, alert the reader that Hoffman did not participate in the alteration.

We must go beyond the altered photograph itself and examine the "totality of [LAM's] presentation," to determine whether it "would inform the average reader (or the average browser)" that the altered "Tootsie" photograph was not a photograph of Hoffman's body. *See id.* The article is featured on the magazine cover as "The Ultimate Fashion Show Starring Grace Kelly, Marilyn Monroe and Darth Vader." The table of contents describes the "Grand Illusions" article: "By using state-of-the-art digital magic, we clothed some of cinema's most enduring icons in fashions by the hottest designers." The accompanying full-page photo is of Humphrey Bogart and Ingrid Bergman as they appeared in "Casablanca," wearing current designer clothing, with a caption stating, "Digital composite by ZZYZX."

A few pages later, the "editor's note" describes the article:

> The movie stills in our refashioned fashion spectacular, "Grand Illusions" (page 104) *have* appeared before – in fact, they're some of the

> most famous images in Hollywood history. But you've never seen them quite like this. Cary Grant, for example, is still ducking that pesky plane in *North by Northwest*, but now he is doing it as a runway model, wearing a suit from Moschino's spring collection.
>
> We know purists will be upset, but who could resist the opportunity to produce a 1997 fashion show with mannequins who have such classic looks?

The Contributors page states: " 'With computers,' says Elisabeth Cotter of ZZYZX, 'you can transform anything – even the past.' She proved it by using the latest in computer software to give old movie stars makeovers for 'Grand Illusions.' "

The "Grand Illusions" article itself states on the title page, "With the help of digital magic and today's hottest designers, we present the ultimate Hollywood fashion show – starring Cary Grant, Marilyn Monroe, Rita Hayworth and the Creature from the Black Lagoon. Photographs by Alberto Tolot. Digital Composites by ZZYZX." Each photograph that follows identifies the actor whose "body" is clothed in designer clothing with a reference to the featured film. Representative captions read "Cary Grant is dashing in. . . . " (as he runs from the cropduster in "North by Northwest"), "Harold Lloyd looks timely in. . . . " (as he hangs from the clock in "Safety Last"), "Marilyn Monroe cools off in. . . . " (as she stands on the grate in "The Seven Year Itch"), "Jimmy Stewart likes to watch in. . . . " (as he looks at Grace Kelly in "Rear Window"), "Susan Sarandon takes on mankind in. . . . " (as she aims a gun in "Thelma and Louise"), and "Judy

Garland hits the bricks in. . . . " (as she runs through a field in "The Wizard of Oz" with the Cowardly Lion, the Tin Man, and the Scarecrow, "who is stuffed into" a designer suit printed with bricks). Finally, the "Tootsie" photograph appears, with its caption "Dustin Hoffman isn't a drag in a butter-colored silk gown by Richard Tyler and Ralph Lauren heels," immediately followed by the page showing all the original stills. The only remaining reference to the article is the "shopping guide," which, almost twenty pages later, provides prices and the names of stores carrying some of the clothing featured in the photographs.

We do not believe that the totality of LAM's presentation of the article and the "Tootsie" photograph provides clear and convincing evidence that the editors intended to suggest falsely to the ordinary reader that he or she was seeing Hoffman's body in the altered "Tootsie" photograph. All but one of the references to the article in the magazine make it clear that digital techniques were used to substitute current fashions for the clothes worn in the original stills. Although nowhere does the magazine state that models' bodies were digitally substituted for the actors' bodies, this would be abundantly clear given that the vast majority of the featured actors were deceased. While LAM never explicitly told its readers that the living actors did not pose for the altered photographs in the article, there is certainly no clear and convincing evidence in the magazine itself that LAM intended to suggest the opposite – that it convinced Hoffman (or, for that matter, John Travolta, Elizabeth Taylor, Susan Sarandon, and Geena Davis) to recreate poses from their past roles for this fashion article.

The district court stated that LAM "admitted that it intended to create the false impression in the minds of the public 'that they were seeing Mr. Hoffman's body.' " This is a quotation from a portion of the style editor's testimony, in which she explained that she wanted the male model whose body would appear in the altered "Tootsie" photograph to have Hoffman's body type. She later explained, however, that she did not intend to convey to readers that Hoffman had participated in some way in the article's preparation, and never thought that readers would believe Hoffman posed for the photograph in the new dress.

We defer to the district court when it makes a credibility determination. *See Eastwood*, 123 F.3d at 1252. In this case, the district court made no express credibility finding, as it did not state that it believed this one statement and disbelieved the remainder of the editor's testimony. But even if the district court had determined that only this quoted portion of her testimony were worthy of belief, it does not constitute clear and convincing evidence that LAM intended to *mislead* its readers. This single statement, whose meaning is ambiguous in the context of other testimony, the text of the article, and the entire magazine, is not sufficient to strip the magazine of its First Amendment protection. *See Newton v. Nat'l Broad. Co.*, 930 F.2d 662, 671 (9th Cir. 1990) (as amended) (in evaluating claims of actual malice, "even when we accord credibility determinations the special deference to which

they are entitled, we must nevertheless examine for ourselves the factual record in full") (quotations omitted).[3]

We conclude that LAM is entitled to the full First Amendment protection awarded noncommercial speech. We also conclude that Hoffman did not show by clear and convincing evidence, which is "far in excess of the preponderance sufficient for most civil litigation," *Eastwood*, 123 F.3d at 1252, that LAM acted with actual malice in publishing the altered "Tootsie" photograph. Because there is no clear and convincing evidence of actual malice, we must reverse the district court's judgment in Hoffman's favor and the court's award of attorney fees to Hoffman, and direct that judgment be entered for LAM.[4]

REVERSED.

---

[3] Hoffman also argues that the photograph created the false implication that he approved the use of his name and likeness in the altered photograph or that he was somehow associated with the designers. The district court did not address this claim in making its determination that LAM acted with actual malice. At any rate, Hoffman does not explain how the evidence or testimony shows that LAM subjectively intended that the reader believe Hoffman had endorsed the use of his name or likeness or the selection of the clothes, and we see no clear and convincing evidence of such intent.

[4] Because we conclude that the First Amendment protects LAM's use of the "Tootsie" photograph, we need not address LAM's argument that Hoffman's state law claims are preempted by the federal Copyright Act, 17 U.S.C. § 301.

Supreme Court, U.S
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No. 01-368

In The

Supreme Court of the United States

GARY SADERUP, an individual, and
GARY SADERUP, INC., a California corporation,

Petitioners,

v.

COMEDY III PRODUCTIONS, INC.,
a California corporation,

Respondent.

On Petition For A Writ Of Certiorari
To The Supreme Court Of California

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

ROBERT N. BENJAMIN
Counsel of Record
ROBERT N. BENJAMIN
A Professional Corporation
1725 Victory Boulevard
Glendale, CA 91201
(818) 662-0211

Counsel for Respondents

COCKLE LAW BRIEF PRINTING CO., (800) 225-6964
OR CALL COLLECT (402) 342-2831

QUESTION PRESENTED

1. Is there any constitutional infirmity with a state statute that prevents a business from selling products for profit using the images of deceased celebrities without the permission of the celebrities' heirs?

RULE 29.6 STATEMENT

Pursuant to Rule 29.6 of this Court, Respondent, Comedy III Productions, Inc., a California Corporation, states that subsequent to the trial in this matter Respondent merged into a Delaware Corporation now called C3 Entertainment, Inc., which is a privately held company and has no parent corporation.

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STATEMENT OF THE CASE

The Respondent, Comedy III Productions, Inc., was a California corporation formed in 1959 by the last configuration of the famous comedy team known as The Three Stooges, Larry Fine, Moe Howard, and Curly Joe DeRita.[1] Larry Fine and Moe Howard died in Los Angeles, California in 1975, and Curly Joe DeRita died in Los Angeles in 1993. Today, the successor-in-interest of the original Comedy III Productions, Inc., C3 Entertainment, Inc., a Delaware corporation, is owned 100 percent by the heirs of The Three Stooges. Respondent is the owner of all rights to The Three Stooges property including the right of publicity codified in former Section 990 of the California Civil Code.[2]

Respondent properly registered its ownership of the images of The Three Stooges with the California Secretary of State as required under Section 990(f)(2) of the California Civil Code. Subsequent to that registration, Respondent discovered that Petitioners, Gary Saderup and Gary

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[1] Comedy III Productions, Inc., was similar in nature, albeit on a much smaller scale, to Apple Corporation, which was formed by the Beatles during the time they were performing to handle their business affairs. See, e.g., *Apple Corp., Ltd. v. Button Master*, 47 U.S.P.Q.2d 1236 (E.D.Pa. 1998), where the court held that there was no issue of material fact as to Apple's ownership of the right of publicity of the Beatles or as to defendant's appropriation of the Beatles' valuable likeness for commercial advantage.

[2] As Petitioners point out, since this case arose, the statute has been renumbered, with amendments, as Cal.Civil Code Section 3344.1. As do Petitioners, Respondent will refer throughout to Section 990 in the present tense.

Saderup, Inc., were selling T-shirts and posters[3] bearing the images of The Three Stooges out of a temporary store in the Glendale Galleria, a large shopping mall located in a Los Angeles suburb.

A complaint was filed under California Civil Code Section 990 in the California State Court. When the matter was called to trial, a jury was waived and the following were stipulated to by the parties:

(1) The sketches, lithographs and T-shirts contained the likeness of The Three Stooges.

(2) All sales by the Defendants of sketches, lithographs or T-shirts were made without a license from the plaintiff.

(3) The defendants engaged in the selling of T-shirts bearing the likeness of The Three Stooges.

(4) The defendants engaged in the selling of lithographs bearing the likeness of The Three Stooges.

(5) The Three Stooges are deceased celebrities within the meaning of Civil Code Section 990.

(6) The T-shirts and lithographs bearing the likeness of The Three Stooges did not constitute an advertisement or endorsement or sponsorship of any particular product.

(7) If Mr. Saderup were called to testify, he would testify as follows: He is an artist with over 25 years experience doing charcoal sketches of celebrity subjects. His charcoal sketches are used as the basis for creation of lithographic

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[3] Petitioners have consistently referred to their posters as "lithographs." There is no substantive difference between a poster and a lithograph as those terms are used in this matter.

and silk screen masters, which are then used to mechanically produce multiple reproductions of the sketches. He actually creates the charcoal sketches, and is involved in the silk screening and lithographic process.

(8) The silk screening and lithographic processes used by Mr. Saderup are commonly used in the graphics industry to create images on T-shirts and to create lithographic prints.

(9) Comedy III Productions, Inc., is the owner of the rights to The Three Stooges.

(10) The Defendants' profit from the sale of the unlicensed lithographs and T-shirts are $75,000.

(11) Each side has incurred attorney's fees to date in the sum of $150,000.

(12) Those attorney's fees are reasonable fees for purposes of the court's determination of the award of reasonable fees.

Based on these stipulations, the trial court found for Respondent and entered judgment in accordance with the stipulations, awarded attorney's fees to Respondent pursuant to Section 990(a), and issued a permanent injunction. The California Court of Appeal struck the injunction as not necessary but otherwise affirmed the trial court in full. The California Supreme Court affirmed the Court of Appeal, and the matter was remitted to the trial court. The trial court then augmented the award of attorney's fees for Respondent pursuant to the statute in the amount of $80,000.

REASONS FOR DENYING THE PETITION

Petitioners are asking for nothing less than to have this Court declare that anyone who can press a button on an automatic camera and take a photograph of any celebrity may place the celebrity's photograph on merchandise and sell the merchandise without the consent of the celebrity or without the need to pay any royalties to the celebrity or the celebrity's heirs for use of the celebrity's image. The fact that the images in this matter were not photographs but were charcoal drawings is irrelevant as the Petitioners point out at length.[4]

Petitioners' Brief makes an express argument on behalf of the *paparazzi*. "A professional photographer who takes a photo of a celebrity thus may well be unable to sell copies of that photo (unless the celebrity has been dead for 70 years)." (Petitioners' Brief at p. 22, footnote omitted.)[5] The Petitioners' Brief also mentions the photo-stock-house industry "whose business is the sale of photos – the subjects of which often include celebrities . . . " Petitioners claim such a business could be at risk. (Petitioners' Brief at pp. 22-23 footnote omitted.) To quote the Petitioners' Brief: "Why would that be a bad result?" (Petitioners' Brief at p. 25 n.34.) What Petitioners are arguing for is virtually the complete confiscation of a

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[4] Civil Code Section 990(a) specifically applies to photographs. See also, *Newcombe v. Adolf Coors Co.*, 157 F.3d 686 (9th Cir. 1998).

[5] The fact that during the pendency of the appeal of this matter the California Legislature increased the length of protection for the right of publicity for deceased celebrities from 50 years to 70 years was never and is not now an issue.

property right belonging to celebrities and celebrities' heirs and transferring that property right to another group of people who happen to come into the possession of a photograph or drawing of a celebrity. Petitioners claim the First Amendment as justification for this confiscation. Petitioners want to appropriate for themselves something that does not belong to them and that is the economic value of the images of The Three Stooges.

Petitioners do not make a very convincing case as to why celebrities or celebrities' heirs should be less deserving of this property right than the *papparazzi* or as in this matter a businessman such as Petitioner, Gary Saderup. More importantly, Petitioners do not make a very convincing case as to why such an issue does not belong in the political arena. Petitioners try to create a constitutional issue that even upon the most superficial examination of the facts of the matter is revealed to be nonexistent in light of the decision by the California Supreme Court. Petitioners' contentions were rejected by the trial court and rejected by the California Court of Appeal. Petitioners garnered little support for their radical arguments in the California Supreme Court,[6] and their arguments were rejected by the California Supreme Court in a unanimous opinion. The fact of the matter is that

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[6] The only *amicus* brief filed in support of Petitioners was written by a law professor from a local law school and even there he only supported Petitioners with respect to the posters. The one *amicus* brief filed on behalf of Petitioners agreed with Respondent's position with respect to the T-shirts. Respondents, on the other hand, received substantial *amicus* support including the Screen Actors Guild, the American Intellectual Property Law Association, and the estates of numerous celebrities.

what Petitioners are suggesting is absurd, and Petitioners' contentions should not take up any more of this Court's valuable time.

Petitioners' products were not "portraits" and what is involved is not "visual art." There is no evidence that Petitioner, Gary Saderup, is a "portrait artist" or an "artist" at all as Petitioners are using that term. Even if Mr. Saderup were an "artist," that fact would be irrelevant to any issue in this matter.[7] What is relevant is what was offered for sale by Petitioners. Petitioners had a chance in the trial court to present evidence to a jury with respect to what was being sold by Petitioners. Had the issue been presented, the jury could have decided whether or not the public was buying Petitioners' merchandise because of Mr. Saderup's charcoal drawings or because the purchasers simply wanted a picture of The Three Stooges.[8] Petitioners did not present this issue to a

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[7] The California Supreme Court opinion does assume that Mr. Saderup is an "artist." As the California Supreme Court opinion points out, the fact that the merchandise is of high quality is not the point.

[8] "Fans buy a T-shirt that depicts Shaquille O'Neal because they want a 'Shaq' T-shirt; a shirt depicting another basketball player will not do." Langvardlt, *The troubling implications of a right of publicity 'wheel' spun out of control*, 45 U.Kan.L.Rev. 329, 345 (1997). As a matter of fact Respondent's original co-plaintiff in this matter was in fact Shaquille O'Neal who was suing Petitioners for also selling without a license products using Mr. O'Neal's image under Civil Code Section 3344, the counterpart to Civil Code Section 990 for living celebrities. Mr. O'Neal settled with Petitioners in the trial court. The author of the quoted law review article did not state that people buy "Shaq" T-shirts because of the "artist" who drew Shaq's picture or the photographer who took the picture of Shaq on the T-Shirt.

jury because it was obvious that no one bought anything from Petitioners because of Petitioners' charcoal drawings. The merchandise would have sold just as well if any competent graphic artist had drawn the pictures of The Three Stooges on the T-shirts and posters.[9] Petitioners' only claim to fame is this case itself.[10]

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[9] In fact, Respondent licenses numerous products including T-shirts and posters using the images of The Three Stooges.

[10] Throughout Petitioners' brief, and as Petitioners have done throughout this entire matter, Mr. Saderup is referred to as a "portrait artist" and his charcoal drawings as "portraits." What Mr. Saderup does is described as "visual art", "representational art", "vivid portraits", etc. Mr. Saderup's hyperbole invites an examination based upon the actual facts as developed by the record and stipulations. The stipulated facts do not support Mr. Saderup's characterization of himself or what he does. The reality is that Mr. Saderup is a businessman who makes simple charcoal drawings of celebrities, places the drawings on merchandise such as T-shirts and posters, and makes a large profit from such an endeavor because he does not have to obtain any permission to use the images or pay any royalties to the celebrities whose images he sells. Who are the real "artists"? Are the "artists" celebrities, such as The Three Stooges, whose images are known the world over and of great economic value, or is the "artist" a businessman, such as Petitioner, who simply places celebrity drawings through a silk screen process on T-shirts in order to sell the products to the fans. If people wanted to buy something that only Mr. Saderup could produce, then there would be no purpose in this lawsuit as the heirs could not reproduce the products without Mr. Saderup. In fact, what people are buying is the goodwill, artistry, reputation, and other positive attributes of the celebrities whose images appear on Petitioners' products. There is no evidence that Petitioners play any relevant role in that process.

There is nothing unconstitutional per se about a state protecting the property rights of its citizens. The right of publicity is a form of intellectual property that is no more repugnant to the First Amendment than is the law of trademark, copyright, or patent. All of these legal doctrines directly affect a person's ability to write, speak, or create something. Likewise, the right of publicity no more offends the First Amendment than does the law of defamation, which limits what a person can say or write under certain circumstances, or the law of misrepresentation, which requires a person to say or write things that are true and not cause someone else to rely upon an untrue statement to the person's injury. To be sure, all of these legal doctrines have recognized the First Amendment as a defense under appropriate circumstances, see, e.g., *New York Times Co. v. Sullivan*, 376 U.S. 254, 85 S.Ct. 710 (1964). That is why the California Supreme Court recognized a defense based upon the First Amendment to a right of publicity claim. The defense that the California Supreme Court recognized requires a determination as to whether or not the offending work is "transformative." As the California Supreme Court explained, "when a work contains significant transformative elements, it is not only especially worthy of First Amendment protection, but it is also less likely to interfere with the economic interests protected by the right of publicity." (Petitioners' Appendix at A-25.)

California Civil Code Section 990 does not apply to most uses of a celebrity's image where there could be a First Amendment concern. Civil Code Section 990(n)(1) states that the statute does not apply to a play, book, magazine, newspaper, musical composition, film, radio or

television program. The statute even permits an advertisement or commercial announcement using a celebrity image for a use permitted by the statutory exceptions.[11] Civil Code Section 990(n)(2) exempts material that is of political or newsworthy value and Section 990(n)(3) exempts single and original works of fine art. Thus, Petitioners can write a play about The Three Stooges, write a book about The Three Stooges, write a magazine article, print a story in a newspaper, compose a musical composition, produce a film, radio show, or television program and even advertise such programs. Petitioners may say whatever they care to say about The Three Stooges and

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[11] In *Astaire v. Best Film & Video Corp.*, 116 F.3d 1297 (9th Cir. 1997), the court examined the legislative history of Civil Code Section 990 and noted that it was intended to address circumstances in which commercial gain is had through the exploitation of the identity of a celebrity in the marketing of goods or services, which goods or services typically involve the use of a deceased celebrity's name or likeness on posters, T-shirts, and other merchandise. 116 F.3d at 1303 (quoting Staff of Assembly Committee on Judiciary, 1983-84 Reg. Sess., Report on S.B. 613 (Campbell), as amended 6-12-84). The Plaintiff in *Astaire* alleged the defendants' use of film clips of Fred Astaire in the opening of a commercial home video violated Section 990(a). The Ninth Circuit, however, held that the use was not a violation because it fell under the Section 990(n) exemption for usage in films and television programs. In *Joplin Enterprises v. Allen*, 795 F.Supp. 349 (W.D.Wash. 1992), the court held that Section 990 applies by its language and by legal authority to the commercial use of Janis Joplin's persona in merchandise, advertising, or endorsements. 795 F.Supp. at 351. The court, however, noted that Civil Code Section 990(n) specifically excepts plays and musical compositions and therefore the plaintiff's claim under Civil Code Section 990 for the unauthorized use of Janis Joplin's identity in a play was precluded by Section 990(n). *Id.* at 351-352.

not incur any liability under Civil Code Section 990. An image of a celebrity that is of political or newsworthy value can be used without liability under the statute.[12] Petitioners can even create an original work of fine art without incurring liability to any celebrity heir. All Civil Code Section 990 reserves for the heirs of deceased celebrities is that it requires the heirs' permission to use their famous ancestors' likeness on an advertisement or on products. Petitioners want this Court to take even that limited use away from the heirs of deceased celebrities. To the extent such a limited use of a deceased celebrity's image on a product presents a First Amendment issue, the California Supreme Court recognized a First Amendment defense for the use of a deceased celebrity image on a product. The transformative use defense is workable and protects any First Amendment interest that could arise under the limited circumstances when the use of a deceased celebrity's image is actionable under Civil Code Section 990.

There is no uncertainty with respect to the right of publicity.[13] There is no conflict with respect to the right of

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[12] In *Montana v. San Jose Mercury News, Inc.*, 34 Cal.App.4th 790, 797 (1995), the California Court of Appeal held that the reproduction and sale of posters bearing the image of football star Joe Montana was exempted from liability under Section 3344 of the Civil Code because the posters contained images of a newsworthy event: Joe Montana leading his team to an unprecedented series of four Super Bowl championships in a single decade.

[13] The right of publicity has generated much discussion in academic treatises and in the courts. For a discussion of the right of publicity, see McCarthy, *The Rights of Publicity and Privacy* (1987), Clark Boardman Callaghan; McCarthy, *The*

publicity between the Ninth Circuit Court of Appeals and the California Supreme Court's opinion. The latest opinion of the Ninth Circuit dealing with the right of publicity, *George Downing, et al. v. Abercrombie & Fitch*, 2001 DJ DAR 9963 (9th Cir., March 7, 2001) (reproduced in Appendix herein), clearly holds that the First Amendment is not offended by the California right of publicity statute. The *Downing* court also held the right of publicity is not preempted by the Federal Copyright Act.[14] There is also no conflict between the California Supreme Court opinion and any opinion of this Court.

There may be a case where it is appropriate for this Court to determine the outer limits of the right of publicity, but this is not the case. There are many cases both federal and state that have examined the right of publicity.[15] The right of publicity is a property right that has

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Human Persona as Commercial Property: The Right of Publicity, 19 Colum.-VLA, J.L.& Arts 129 (1995).

[14] Petitioners' imply in their brief that there is a copyright issue in this matter. The Copyright Act and the issue of preemption has never been an issue in this case. In any event, the opinion in *George Downing, et al. v. Abercrombie & Fitch*, supra, puts that issue to rest. Most courts that have considered the issue of the alleged preemption of the right of publicity by the Copyright Act have rejected such a contention. See, *Brown v. Ames*, 201 F.3d 564, 661 (5th Cir. 2000); *KNB Enterprises v. Matthews*, 78 Cal.App.4th 362 (2000), cited in *George Downing, et al.*, supra (App. 13-14.) See also, *Factors Etc., Inc. v. Pro Arts, Inc.*, 496 F.Supp. 1090 (S.D.N.Y. 1980).

[15] The term "right of publicity" was first coined by Judge Frank in *Haelen Laboratories Inc. v. Topps Chewing, Inc.*, 202 F.2d 866 (2d Cir. 1953), *cert. denied*, 346 U.S. 816 (1953). The right of publicity has since become widely recognized as a *property* right. McCarthy, Thomas J., *McCarthy On Trademarks And Unfair*

long been recognized, is well understood, and if this property right had any fundamental First Amendment infirmity as argued by Petitioners herein it is unthinkable that some court would not have recognized such an infirmity prior to this time. No court has ever held that the right of publicity was completely precluded by the First Amendment. Only a handful of the many commentators who have written on the subject have suggested the complete elimination of the right of publicity. Many of even the most ardent critics of the right of publicity have

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Competition §§28:1, 28:4 and 28:16 (4th ed. 1998). Former Chief Justice Bird of the California Supreme Court described the right of publicity as follows:

> Today, it is commonplace for individuals to promote or advertise commercial services and products or, as, in the present case, even have their identities infused in the products. . . . When a product's promoter determines that the commercial use of a particular person will be advantageous, the promoter is often willing to pay handsomely for the privilege. As a result, the sale of one's persona in connection with the promotion of commercial products has unquestionably become big business. [citations.] Such commercial use of an individual's identity is intended to increase the value or sales of the product by fusing the celebrity's identity with the product and thereby siphoning some of the publicity value or goodwill in the celebrity's persona into the product. . . . An unauthorized commercial appropriation of one's identity converts the potential economic value in that identity to another's advantage. The user is enriched, reaping one of the benefits of the celebrity's investment in himself. [citations.] *Lugosi v. Universal Pictures*, 25 Cal.3d 813, 834-835 (1979) (Bird C.J., dissenting.)

concluded that the type of merchandise sold by Petitioners could be subject to the right of publicity.[16]

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[16] One author concerned about how far the right of publicity should go and certainly no friend of the right of publicity characterized a use of a celebrity's image such as that involved in this case as the "no frills" right of publicity. According to this author, a "no frills" right of publicity occurs when a celebrity's name or likeness is used commercially without consent. The author concluded that the "no frills" use is not protected by the First Amendment and should be actionable. Langvardlt, supra, 45 U.Kan.L.Rev. 329 (1997). Even this author, a harsh critic of the right of publicity, has admitted that a use such as that before this Court would not violate the First Amendment. The author of this law review article criticizes the Ninth Circuit's decision in *White v. Samsung Electronics, Inc.*, 971 F.2d 1395 (9th Cir. 1992), wherein Vanna White sued an electronics manufacturer for using a robot to turn letters in the same fashion that Vanna White turns letters on the Wheel of Fortune television show in order to advertise electronic products. The author argues the Ninth Circuit should have adopted a commercial speech analysis based upon this Court's decision in *Central Hudson Gas & Electric Corp. v. Public Service Comm'n*, 447 U.S. 557 (1980). While the author believes that the Ninth Circuit's decision in *White* does not stand up to such analysis, he does conclude that a right of publicity "essentially restricted to name, likeness, and personal attributes . . . would furnish meaningful protection to celebrities without risking the First Amendment problems created [by the *White* decision]." 45 U. Kan.L.Rev. at p. 439.

I.

THERE IS NO CONFLICT BETWEEN THE CALIFORNIA SUPREME COURT OPINION AND ANY RULE ANNOUNCED AND APPLIED BY THE NINTH CIRCUIT COURT OF APPEALS.

The thrust of Petitioners' argument as to why this court should grant a writ of certiorari is an alleged conflict between the California Supreme Court's opinion and the recent decision of the United States Court of Appeals for the Ninth Circuit in *Hoffman v. Capital Cities/ABC Inc.*, 255 F.3d 1180 (9th Cir., July 6, 2001). The most recent statement of the Ninth Circuit on the right of publicity, however, can be found in a decision entitled *George Downing, et al. v. Abercrombie & Fitch*, supra.[17] The Ninth Circuit in *Downing* had no trouble finding that there was no constitutional infirmity with the California statutory remedy for commercial misappropriation of the right of publicity of living celebrities found in California Civil Code Section 3344. The same reasoning applies to the right of publicity for deceased celebrities codified in Civil Code Section 990.

It should be noted at this point that Petitioners have never and still have not articulated exactly what the First Amendment interest is with respect to the merchandise that Petitioners' claim should be protected. In the *Downing* case the First Amendment argument was that the photographs the defendants wanted to use in their catalog illustrated an article about surfing, a matter in the public interest. Defendant, Abercrombie & Fitch, relied

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[17] The advance sheet opinion published in the *Los Angeles Daily Journal* is reproduced in Appendix herein.

upon the California Appellate opinion in *Dora v. Frontline Video, Inc.*, 15 Cal.App.4th 536 (1993), wherein the California Court of Appeal held that a documentary video on the subject of surfing was about a matter of public interest and therefore the video was protected from liability under the right of publicity by the First Amendment. The Ninth Circuit in *Downing* considered that defense and held:

> In the current action, there is a tenuous relationship between Appellants' photograph and the theme presented. Abercrombie used Appellants' photograph essentially as window dressing to advance the catalog's surftheme(sic). The catalog did not explain that Appellants were legends of the sport and did not in any way connect appellants with the story proceeding it. In fact, the catalog incorrectly identifies where and when the photograph was taken. We conclude that the illustrative use of Appellants' photograph does not contribute significantly to a matter of the public interest and that Abercrombie cannot avail itself of the First Amendment defense. [footnote omitted.] (App. 9-10.)

The *Downing* court distinguished the Ninth Circuit opinion in *Hoffman v. L.A. Magazine* as follows:

> This case is also distinguishable from *Hoffman v. L.A. Magazine* (citation) in which the defendant magazine successfully asserted a First Amendment defense to Dustin Hoffman's claim of misappropriation. In that case, L.A. Magazine used a digitally altered picture of Hoffman as 'Tootsie,' in a current designer dress to illustrate its 'grand illusions' article. We concluded that such

> use was noncommercial speech entitled to full First Amendment protection. [citation.] In contrast to the present case, where Abercrombie, itself, used Appellants' images in its catalog to promote its clothing, L.A. Magazine was unconnected to and achieved no consideration from the designer for the gown depicted in the article. [citation.] Further, while L.A. Magazine merely referenced a shopping guide buried in the back of the magazine that provided stores and prices for the gown [citation] Abercrombie placed the Appellants' photograph on the page immediately proceeding the 'Final Heat Tees' for sale. Based on these factors, we conclude that Abercrombie's use was much more commercial in nature and, therefore, not entitled to the full First Amendment protection accorded to L.A. Magazine's use of Hoffman's image. [citation.] (App. 10.)

Were this matter to have been litigated in the federal courts in California, the Ninth Circuit undoubtedly would have followed the rationale of the *Downing* opinion. Petitioners placed the images of deceased celebrities on products in the same manner that the defendants in the *Downing* case used the images of living celebrities in a catalog. Both are clearly the same type of commercial speech, and the Ninth Circuit undoubtedly would have decided this matter the same as it did in *Downing* and conclude that Petitioners' merchandise was not entitled to full First Amendment protection.[18]

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[18] Petitioners also rely heavily upon the opinion in *Cardtoons, L.C. v. Major League Baseball Players Assn.*, 95 F.3d 959 (10th Cir. 1996). That case simply held that a parody defense was available to a defendant in a case arising out of an

II.

THE OPINION OF THE CALIFORNIA SUPREME COURT DOES NOT CONFLICT WITH ANY OPINION OF THIS COURT.

Petitioners contend that the California Supreme Court's opinion conflicts with this Court's recent opinion in *Bartnicki v. Vopper,* 121 S.Ct. 1753 (2001). There is no conflict. The constitutional question before this Court in *Bartnicki* was the validity of a federal statute providing for civil remedies for interception of private cell phone communications. It was submitted that the interception was intentional and therefore unlawful and the disclosure of intercepted communications to the media as well as the subsequent disclosure by the media defendants violated federal as well as similar state statutes. Violation of those federal and state statutes allowed the Petitioners therein to recover damages from each of the respondents. The only question before this Court was whether or not the application of those statutes in such circumstances violated the First Amendment. It should be noted that any newspaper story about a deceased celebrity would be excluded from liability under Civil Code Section

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Oklahoma right of publicity statute. The court extensively analyzed the nature of the products at issue and came to a very fact-intensive conclusion. There is nothing in the facts of this matter that even suggest Petitioners were attempting a parody of The Three Stooges. How would one parody The Three Stooges? There is nothing in the California Supreme Court's opinion in this matter that rules out a parody defense in an appropriate case. Thus, the *Cardtoons, L.C. v. Major League Baseball Players Assn.* opinion has no relevance to any issue in this matter.

990(n)(1). That being the case, it is difficult to understand the relevance of this Court's holding in *Bartnicki* to any issue in this matter. To quote the Petition: "The Court concluded that '[I]n this case, privacy concerns give way when balanced against the interest in publishing matters of public importance.' " (Petitioners' Brief at p. 18, citing 121 S.Ct. at 1765.) Petitioners do not and never have articulated what the public importance is in Petitioners' placing of charcoal drawings of Moe, Larry and Curly on T-shirts and posters. Once again, Respondents are left to guess as to the nature of the alleged First Amendment interest claimed by Petitioners to be at stake.

Petitioners are incorrect when they state that the right of publicity does not have constitutional stature. (Petitioners' Brief at p. 19.) The right of publicity arose out of an individual's privacy interests,[19] and the *Bartnicki* opinion itself discusses the constitutional stature of such interests. The concurring opinions of Justices Breyer and O'Connor in *Bartnicki* recognize the constitutional implications of privacy rights. "As a general matter, despite the statute's direct restrictions on speech, the Federal Constitution must tolerate laws of this kind because of these privacy and speech-related objectives." 121 S.Ct. at 1767. The *Bartnicki* opinion recognizes that the protection of a person's property and of his very life is left largely to the law of the individual states. "Rather than broadly forbid this kind of legislative enactment, the Constitution demands legislative efforts to tailor the laws

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[19] See, e.g., *Factors Etc., Inc. v. Pro Arts, Inc.*, 579 F.2d 215 (2d Cir. 1978), wherein the court analyzed the right of publicity as a species of the right of privacy. 579 F.2d at 220.

in order reasonably to reconcile media freedom with personal, speech related privacy." 121 S.Ct. at 1767.

The California statute meets the requirement of such legislative effort. California Civil Code Section 990 exempts virtually all uses of a deceased celebrity's image that could offend the First Amendment.[20] In the limited use of a deceased celebrity's image that is actionable, the California Supreme Court has recognized a workable test to protect any First Amendment issue that could arise.

The First Amendment is not a license to trammel on legally recognized property rights and rights in intellectual property. *Dallas Cowboys Cheerleaders, Inc. v. Scoreboard Posters, Inc.*, 600 F.2d 1184, 1188 (5th Cir. 1979) (citing *Zacchini v. Scripps Howard Broadcasting Co.*, 433 U.S. 562, 577 n.13 (1977). This court has already expressly

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[20] The statutory exceptions to Civil Code Section 990 are broader than necessary to protect the First Amendment. In *Robyn Astaire v. Best Film & Video*, 116 F.3d at 1297, amended by 136 F.3d 1208, *cert. denied*, 119 S.Ct. 161, the court held that the California Legislature attempted to adopt a broader exemption for certain uses of a celebrity's image than was necessary under the First Amendment. A review of the statutory language indicates it closely follows the language of Chief Justice Bird's concurrence in *Guglielmi v. Spelling-Goldberg Productions*, 25 Cal.3d 860 (1979), in which Justice Bird discussed the types of speech which may not constitutionally be abridged by state regulation of publicity rights. 25 Cal.3d at 865-870. Furthermore, the legislative history indicates that after receiving a letter from Senator Campbell, the author of SB 613, explaining the constitutional protections afforded by SB 613 with respect to Section 3344 and 990 of the Civil Code, even the ACLU confirmed that there were no infringements in SB 613 upon the First Amendment guarantee of free speech. [J.A. 898-899, 914, 915.]

held that the First Amendment to the Constitution does not bar state regulation of publicity rights. *Zacchini v. Scripps Howard Broadcasting Co.*, 433 U.S. 562 (1977). Although Petitioners attempt to limit the holding in *Zacchini*, the law and rationale of *Zacchini* has been applied in virtually every subsequent right of publicity case in which a First Amendment defense was raised.[21] This Court held in *Zacchini* that the states' interests in permitting the right of publicity is closely analogous to the goals of patent and copyright law. 433 U.S. at 573 & 576-577. This Court explained that state protection of the right of publicity rests in both the desire to compensate the performer for the time and investment in the act, as well as the desire to provide an economic incentive for the performer to make the investment in his performance. The potential for conflict with the First Amendment is certainly not unique to the right of publicity. While the First Amendment's guarantee of free speech has been hailed as the hallmark of a free society, it is not without its limits. Contrary to Petitioners' argument, not all restrictions on speech violate the Constitution. Were all speech immune from content-based restrictions, the libel, copyright, trademark, obscenity, perjury and false advertising laws

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[21] See, e.g., *Factors Etc., Inc. v. Pro Arts, Inc.*, 579 F.2d 215 (2d Cir. 1978), *cert. denied*, 440 U.S. 908, and on remand, *Factors Etc., Inc. v. Pro Arts, Inc.*, 496 F.Supp. 1090, 1100 (S.D.N.Y. 1980); *Factors Etc., Inc. v. Creative Card Co.*, 444 F.Supp. 279, 283 (S.D.N.Y. 1977); and *Winterland Concessions Co. v. Sileo*, 528 F.Supp. 1201, 1213 (N.D. Ill. 1981).

would all be unconstitutional. Clearly, this is not the case.[22]

Petitioners suggest that this Court should apply a strict scrutiny test to the California Legislature's enactment of Civil Code Section 990. What Petitioners do not discuss is why strict scrutiny would therefore not be appropriate to any law protecting property that in some way affects a person's ability to say or create something such as the law of copyright and trademark. The right of publicity is a property right, which the State of California has an obligation under the Due Process Clause of the Federal Constitution to protect. There is nothing in any opinion of this Court including *Bartnicki v. Vopper*, supra, which conflicts with that basic obligation of the State of California.

III.

CELEBRITIES AND CELEBRITIES' HEIRS HAVE CONSTITUTIONAL RIGHTS AS WELL AS PETITIONERS.

California law provides for both common law and statutory publicity rights. *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093 (9th Cir. 1992); Cal.Civ. Code §§990 and 3344.[23] The

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[22] The short answer to the Petitioners' absolutist approach to the meaning of the First Amendment [that all speech is immune from liability under the First Amendment] is that it is simply not the law. This Court has held that the copyright laws, which place significant restrictions on copying the speech of others, are a valid restriction of speech. See, e.g., *Harper & Row, Publishers, Inc. v. Nation Enters*, 471 U.S. 539 (1985).

[23] Civil Code Section 990 defines the right of publicity generally as the right to the celebrity name, photograph,

Legislative History of Section 990, which provides for the descendible right of publicity, explains the purpose of the legislation:

> California has traditionally encouraged the entertainment industry and other areas of personal achievement. The promotion of such industries has resulted in California's status as the principal location of the entertainment industry in the United States and the state of residence of many prominent entertainers. Because of this, California has derived substantial economic benefits and prestige, which accrue to all Californians. To continue to encourage and perpetuate the entertainment industry in California, this state should continue to be a leader in protecting the rights of individuals, including the publicity rights of its residents. [J.A. 835-836.]

As the right of publicity is a property right belonging to celebrities and their heirs, if the State of California were to fail to provide these property owners with a legal remedy for the unauthorized taking of their property such a lack of action by the state would deprive the property owners of due process of law.

"The right of publicity is the inherent right of every human being to control the commercial use of his or her identity."[24] It is truly unbelievable that any person could

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likeness, voice and signature for merchandising and advertising purposes. Cal.Civ. Code Section 990(a).

[24] 4 McCarthy, *McCarthy On Trademarks And Unfair Competition*, Section 28:1, p. 28-3. "The right of publicity is property, and is properly recognized as a form of intellectual

question such a self-evident proposition.[25] To the extent someone disagrees with the political philosophy upon which the above proposition is based and advocates the collectivization of intellectual property, that is not a debate that should be brought before this Court. Such a debate belongs in the arena of politics. The right of publicity has been recognized by courts and commentators for decades, and the codification of the right of publicity which descends to the heirs of deceased celebrities contained in Civil Code Section 990 is a legitimate, and indeed, a required act of the California legislature to protect the property rights of the heirs of deceased celebrities.[26]

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property." "This legal right is infringed by unpermitted use which is not immunized by principles of free speech and free press." *Id.*

[25] "[T]here is something wrong, a manifest 'unfairness,' when one person seeks to trade on the personality of another. The right of publicity is the means to address and ameliorate that wrong." Halpern, *The Right of Publicity: Maturation of an Independent Right Protecting the Associative Value of Personality*, 46 Hastings L.J. 853, 873, March 1995.

[26] Petitioners attempt to create a false issue by discussing the descendibility feature of Civil Code Section 990. There is nothing about the act of the California Legislature in codifying such a right that requires the attention of this Court. Any argument that intellectual property rights should die with the author would apply to the law of copyright, patent, and even trademark as well as the right of publicity.

IV.

PETITIONERS WERE SELLING THE FAME OF THE THREE STOOGES AND NOT ANYTHING CREATED BY PETITIONERS.

In an attempt to create a constitutional issue, Petitioners insist upon characterizing themselves as artists selling "portraits" or "visual art". There is nothing in the record to support that characterization. There is not one shred of evidence to even suggest that anyone bought anything from Petitioners because of the artist who drew the charcoal drawings. This question in Respondent's view is the essence of the right of publicity: What is being sold? The California Supreme Court opinion talks about Andy Warhol paintings. Is the product an Andy Warhol painting of Marilyn Monroe or Marilyn Monroe drawn by Andy Warhol? Does it matter who draws Marilyn Monroe? If the artist is more important than the subject, there may be no issue of the right of publicity. The California Supreme Court uses Andy Warhol as an example of an artist who "was able to convey a message that went beyond the commercial exploitation of celebrity images and became a form of ironic social comment on the dehumanization of celebrity itself." (Petitioners' Appendix at A-31.) The California Supreme Court expressly stated that this analysis was useful in determining wether or not a work is sufficiently transformative.

> [D]oes the marketability and economic value of the challenged work derive primarily from the fame of the celebrity depicted? If this question is answered in the negative, then there would generally be no actionable right of publicity. When the value of the work comes principally from

> some source other than the fame of the celebrity – from the creativity, skill, and reputation of the artist – it may be presumed that sufficient transformative elements are present to warrant First Amendment protection. If the question is answered in the affirmative, however, it does not necessarily follow that the work is without First Amendment protection – it may still be a transformative work. (Petitioners' Appendix at A-29.)

These factual determinations of what is being sold and why are no more difficult to determine than any other issue that trial courts face on a daily basis. Determination of such issues does not require judges to become art critics. In the vast majority of cases the resolution of the question will be obvious. In those cases where the question requires analysis of evidence in order to resolve, the issue lends itself to the same type of objective evidence that courts rely upon to make any determination of a disputed issue. In this matter, Petitioners did not even attempt to prove that they were selling anything other than the fame and goodwill of The Three Stooges – a property right that took seventy-five years to develop. A property right that does not belong to Petitioners.

CONCLUSION

Petitioners twist the facts and the law in an attempt to make a constitutional issue where none exists. The facts are that Petitioners placed images of Moe, Larry and Curly on T-shirts and posters without permission of their heirs and sold those products at a substantial profit.

California Civil Code Section 990, which codifies the right of publicity and makes such rights descendible to the heirs of The Three Stooges prevents such unauthorized use of the economic value of the images of The Three Stooges. The First Amendment presents no obstacle to the enforcement of that property right by the State of California. There is nothing about this case that is really new, and this is not the case to test the outer limits of the right of publicity. Accordingly, the petition for writ of certiorari should be denied.

Respectfully submitted,

ROBERT N. BENJAMIN
Counsel of Record
ROBERT N. BENJAMIN
A Professional Corporation
1725 Victory Boulevard
Glendale, California 91201
(818) 662-0211

TORTS

Retailer's misappropriation of plaintiffs' likenesses is not protected by First Amendment or Copyright Act.

Cite as 2001 DJDAR 9963

GEORGE DOWNING,
an individual;
PAUL STRAUCH,
an individual;
RICK STEERE,
an individual;
RICHARD BUFFALO KEAULANA,
an individual;
BEN AIPA,
an individual;
MIKE DOYLE,
an individual;
JOEY CABELL,
an individual,
Plaintiffs-Appellants,

v.

ABERCROMBIE & FITCH,
an Ohio corporation,
Defendant-Appellee.

Nos. 00-55363, 00-55834
D.C. No. CV-99-04612-MLR
United States Court of Appeals
Ninth Circuit
Filed September 13, 2001

Appeal from the United States District Court
for the Central District of California

Manuel L. Real,
District Judge, Presiding

Argued and Submitted March 7, 2001
Pasadena, California

Before: Procter Hug, Jr.
and Betty B. Fletcher,
Circuit Judges,

and Samuel P. King,
District Judge.*

Opinion by Judge Hug

COUNSEL

Brent H. Blakely, Manhattan Beach, California, for the appellants.

Joel McCabe Smith and David Aronoff, Leopold, Petrich & Smith, P.C., Los Angeles, California, for the appellee.

OPINION

HUG, Circuit Judge:

Appellants brought this diversity action against Abercrombie and Fitch ("Abercrombie") for publishing a photograph of them, with identification of their names, for Abercrombie's commercial benefit without the Appellants' authorization. They allege a violation of California's common law and statutory prohibition against misappropriation of a person's name and likeness for commercial purposes, a violation of the Lanham Act for confusion and deception indicating sponsorship of

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* Honorable Samuel P. King, Senior United States District Judge, sitting by designation.

Abercrombie goods, and a claim for negligence and defamation. The district court entered summary judgment for Abercrombie, holding that their California state claims were foreclosed because Abercrombie's use of the photograph was protected by the First Amendment, and those claims were also preempted by the federal Copyright Act; that Hawaii law was the proper choice of law for some of these claims; that the Lanham Act claim was precluded by the First Amendment and it was also precluded by the nominative fair use doctrine; and that there was insufficient evidence to sustain the negligence or defamation claims. The district court had jurisdiction under 28 U.S.C. § 1332, and we have appellate jurisdiction under 28 U.S.C. § 1291. We reverse the grant of summary judgment and remand for trial.

BACKGROUND

I. Factual Background

Abercrombie is an outfitter catering to young people. The upscale retailer sells casual apparel for men and women, including shirts, khakis, jeans, and outerwear. In addition to sales in approximately 200 stores nationwide, Abercrombie also sells merchandise through its subscription catalog, the "Abercrombie and Fitch Quarterly" ("Quarterly").

The Quarterly is Abercrombie's largest advertising vehicle. It accounts for approximately 80% of Abercrombie's overall advertising budget. The primary purpose of the Quarterly is to build brand awareness and increase sales. Each issue is over 250 pages in length and embraces a theme such as collegiate lifestyle, back to school, or

winter wear. The Quarterly contains photographs of models wearing Abercrombie's garments as well as pictures of the clothing displayed for sale. In addition, approximately one-quarter of each issue is devoted to stories, news and other editorial pieces.

In 1998, Michael Jeffries, Abercrombie's CEO, developed a surfing theme for the upcoming Quarterly. Abercrombie held the photo shoot for the upcoming issue at San Onofre Beach, California. While at the photo shoot, Abercrombie employees Sam Shahid and Savas Abadsidis looked through a compilation of surfing photographs by surf photographer LeRoy Grannis. The photo book contained a picture of Appellants which Grannis had taken at the 1965 Makaha International Surf Championship in Hawaii. Sam Shahid purchased the photograph, along with three other photographs from the book, for $100 each. LeRoy Grannis then handwrote the names of Appellants at the bottom of the photograph.

Subsequently, Sam Shahid showed Appellants' photograph to Jeffries who decided to use the photograph in the upcoming Quarterly. Abercrombie did not obtain Appellants' permission. Jeffries also decided to create t-shirts, exactly like those worn by the Appellants in the photograph, for sale in the upcoming issue. Abercrombie labeled the t-shirts "Final Heat Tees." The t-shirts were advertised for sale in the Quarterly.

The Spring 1999 Quarterly, "Spring Fever," contains a section entitled "Surf Nekkid." The "Surf Nekkid" section includes an article recounting the history of surfing. Abercrombie also included a 700-word story, entitled "Your Beach Should Be This Cool," describing the history

of Old Man's Beach at San Onofre, California. The following page exhibits the photograph of Appellants. The two pages immediately thereafter feature the "Final Heat Tees."

The "Spring Fever" issue contains other articles about the surfing lifestyle. An article entitled "Beachcombing" documents the efforts of the Surfrider Foundation, an ecological group founded by surfers. Still another article entitled "Where the Wild Things Are," written by the editor of Surfer Magazine, describes various surfer "types." Also contained in the issue is an interview of Nat Young, former world surfing champion and the first professional surfer. The interview is accompanied by photographs of Young and his son wearing Abercrombie clothing.

II. Procedural History

On April 28, 1999, Appellants George Downing, Paul Strauch, Rick Steere, Richard Buffalo Keaulana, and Ben Aipa filed a complaint in the United States District Court for the Central District of California. Appellants later amended the complaint to add Joey Cabell and Mike Doyle. Appellants alleged that Abercrombie misappropriated their names and likenesses in violation of California's statutory and common law protections against commercial misappropriation, that the publication of the photograph in the catalog violated the Lanham Act and they alleged claims for negligence and defamation. Subsequently, Appellants and Abercrombie both filed motions for summary judgment. The district court entered summary judgment for Abercrombie. Appellants

timely appealed. Abercrombie then filed a motion for attorneys' fees and other expenses. The district court granted the motion, awarding Abercrombie approximately one-fourth of the attorneys' fees that it sought. Appellants timely filed a notice of appeal from that order. We consolidated the two appeals.

On appeal, Appellants contend: (1) Abercrombie's use of the photograph is not protected under the First Amendment; (2) the state law publicity claims are not preempted by the Copyright Act; (3) California law is the proper choice of law for the claim under California Civil Code § 3344; (4) triable issues of fact exist with regard to the Lanham Act claims; (5) triable issues of fact exist with regard to the defamation claim; (6) the district court erred in denying the motion for a continuance; (7) the district court erred in awarding attorneys' fees and costs to Abercrombie.[1]

STANDARD OF REVIEW

The district court's grant of summary judgment is reviewed de novo. *Botosan v. Paul McNally Realty*, 216 F.3d 827, 830 (9th Cir. 2000). We must determine, viewing the evidence in the light most favorable to the nonmoving party, whether there are any genuine issues of material fact and whether the district court correctly applied the relevant substantive law. *Lopez v. Smith*, 203 F.3d 1122, 1131 (9th Cir. 2000) (en banc).

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[1] The Appellants do not appeal the summary judgment on their negligence claim.

ANALYSIS

I. First Amendment and Right of Publicity Claims

The district court concluded that Abercrombie's use of the photograph containing Appellants' names and likenesses was proper because it constituted expression protected under the First Amendment. We disagree.

California has long recognized a common law right of privacy for protection of a person's name and likeness against appropriation by others for their advantage. *See Eastwood v. Superior Court*, 149 Cal. App. 3d 409, 416 (Ct. App. 1983). To sustain a common law cause of action for commercial misappropriation, a plaintiff must prove: "(1) the defendant's use of the plaintiff's identity; (2) the appropriation of plaintiff's name or likeness to defendant's advantage, commercially or otherwise; (3) lack of consent; and (4) resulting injury." *Id.* at 417.

In addition to the common law cause of action, California has provided a statutory remedy for commercial misappropriation under California Civil Code § 3344. The remedies provided for under California Civil Code § 3344 complement the common law cause of action; they do not replace or codify the common law. *See Newcombe v. Adolf Coors Co.*, 157 F.3d 686, 691-92 (9th Cir. 1998). Section 3344 provides in relevant part, "any person who knowingly uses another's name, voice, signature, photograph, or likeness, in any manner . . . for purposes of advertising . . . without such person's prior consent . . . shall be liable for any damages sustained by the person." Cal. Civ. Code § 3344(a). Under section 3344, a plaintiff must prove all the elements of the common law cause of action. In addition, the plaintiff must allege a knowing use by the

defendant as well as a direct connection between the alleged use and the commercial purpose. *See Eastwood,* 149 Cal. App. 3d at 417.

Under both the common law cause of action and the statutory cause of action "no cause of action will lie for the publication of matters in the public interest, which rests on the right of the public to know and the freedom of the press to tell it." *Montana v. San Jose Mercury News, Inc.*, 34 Cal. App. 4th 790, 793 (Ct. App. 1995). This First Amendment defense extends "to almost all reporting of recent events," as well as to publications about "people who, by their accomplishments, mode of living, professional standing or calling, create a legitimate and widespread attention to their activities." *Eastwood,* 149 Cal. App. 3d at 422. However, the defense is not absolute; we must find "a proper accommodation between [the] competing concerns" of freedom of speech and the right of publicity. *Id.*

In the instant case, Abercrombie defends on the basis of the First Amendment arguing that the photograph illustrates an article about surfing, a matter in the public interest. To support its defense, Abercrombie relies on *Dora v. Frontline Video, Inc.*, 15 Cal. App. 4th 536 (Ct. App. 1993). In *Dora,* the court held that a surfing documentary was in the public interest because it was "about a certain time and place in California history and, indeed, in American legend." *Id.* at 543. *Dora* involved a surfing legend, Mickey Dora, who sued the producer of a video documentary on surfing claiming common law and statutory appropriation of his name and likeness. *See id.* at 540. The trial court entered summary judgment for the film's producer and the California Court of Appeal affirmed.

See id. In addressing the First Amendment issue, the court found that the documentary was about a matter of public interest, specifically surfing, and, therefore, the producer was protected by the defense. *See id.* at 544. In so concluding the court stated:

> surfing is of more than passing interest to some. It has created a life-style that influences speech, behavior, dress, and entertainment, among other things. A phenomenon of such scope has an economic impact, because it affects purchases, travel, and the housing market. Surfing has also had a significant influence on the popular culture, and in that way touches many people. It would be difficult to conclude that a surfing documentary does not fall within the category of public affairs.

Id. at 546.

Although the theme of Abercrombie's catalog was surfing and surf culture, a matter of public interest, the use of Appellants' names and pictures is quite different from that involved in the *Dora* case. In *Dora*, Mickey Dora's contribution to the development of the surf lifestyle and his influence on the sport was "the point of the program." *Id.* at 543. Dora was depicted in the documentary because his identity directly contributed to the story about surfing which came within the protected public interest.

In the current action, there is a tenuous relationship between Appellants' photograph and the theme presented. Abercrombie used Appellants' photograph essentially as window-dressing to advance the catalog's surf-theme. The catalog did not explain that Appellants were

legends of the sport and did not in any way connect Appellants with the story preceding it. In fact, the catalog incorrectly identifies where and when the photograph was taken. We conclude that the illustrative use of Appellants' photograph does not contribute significantly to a matter of the public interest and that Abercrombie cannot avail itself of the First Amendment defense.[2] Accordingly, we reverse the district court's grant of summary judgment in favor of Abercrombie.

II. Federal Copyright Preemption

Abercrombie contends that its right to reproduce and publish the photograph of the Appellants is governed by

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[2] This case is also distinguishable from *Hoffman v. L.A. Magazine*, Nos. 99-55363, 99-55686, slip op. at 8591 (9th Cir. July 6, 2001), in which the defendant magazine successfully asserted a First Amendment defense to Dustin Hoffman's claim of misappropriation. In that case, L.A. Magazine used a digitally-altered picture of Hoffman, as "Tootsie," in a current designer dress to illustrate its "Grand Illusions" article. We concluded that such use was noncommercial speech entitled to full First Amendment protection. *Id.* at 8600. In contrast to the present case, where Abercrombie, itself, used Appellants' images in its catalog to promote its clothing, L.A. Magazine was unconnected to and received no consideration from the designer for the gown depicted in the article. *Id.* at 8559. Further, while L.A. Magazine merely referenced a shopping guide buried in the back of the magazine that provided stores and prices for the gown, *id.*, Abercrombie placed the Appellants' photograph on the page immediately preceding the "Final Heat Tees" for sale. Based on these factors, we conclude that Abercrombie's use was much more commercial in nature and, therefore, not entitled to the full First Amendment protection accorded to L.A. Magazine's use of Hoffman's image. *Id.* at 8601.

the federal Copyright Act, 17 U.S.C. §§ 101-1101, and that Appellants' state law claims are preempted by federal copyright law.

> "[W]hen acting within constitutional limits, Congress is empowered to pre-empt state law by so stating in express terms." *California Fed. Sav. & Loan Ass'n v. Guerra*, 479 U.S. 272, 280 (1987). Under 17 U.S.C. § 301, States are expressly prohibited from legislating in the area of copyright law.[3] In order for preemption to occur under the federal Copyright Act, two conditions must be satisfied. First, the content of the protected right must fall within the subject matter of copyright as described in 17 U.S.C. §§ 102 and 103. Second, the right asserted under state law must be equivalent to the exclusive rights contained in section 106 of the Copyright Act. *See Del Madera Properties v. Rhodes & Gardner, Inc.*, 820 F.2d 973, 976 (9th Cir. 1987) (overruled on other grounds).

The subject matter protected by the Copyright Act is set forth in 17 U.S.C. § 102, which provides in relevant part as follows:

> Copyright protection subsists . . . in original works of authorship fixed in any tangible medium of expression, now known or later

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[3] Section 301(a) of 17 U.S.C. preempts: all legal or equitable rights that are the equivalent to any of the exclusive rights within the general scope of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

> developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include . . . pictorial, graphic, and sculptural works.

Section 103 provides that the subject matter specified in § 102 also includes compilations and derivative works, "but the copyright in a compilation or derivative work extends only to the material contributed by the author of such works as distinguished from the preexisting material employed in the work." Section 106 gives the copyright holder exclusive rights to copy the copyrighted work or derivatives and to distribute it to the public.

The photograph itself, as a pictorial work of authorship, is subject matter protected by the Copyright Act. *See* 17 U.S.C. § 101 (providing that "pictorial, graphic, and sculptural works include . . . photographs.") However, it is not the publication of the photograph itself, as a creative work of authorship, that is the basis for Appellants' claims, but rather, it is the use of the Appellants' likenesses and their names pictured in the published photograph. The Nimmer treatise on copyright law states:

> [T]he "work" that is the subject matter of the right of publicity is the persona, i.e., the name and likeness of a celebrity or other individual. A persona can hardly be said to constitute a "writing" of an "author" within the meaning of the copyright clause of the Constitution. A fortiori it is not a "work of authorship" under the Act. Such name or likeness does not become a work of authorship simply because it is embodied in a copyrightable work such as a photograph.

1 Nimmer on Copyright § 1.01[B][1][c] at 1-23 (1999). The same point is made in McCarthy's Treatise on Right of Publicity and Privacy:

> The "subject matter" of a Right of Publicity claim is not a particular picture or photograph of plaintiff. Rather, what is protected by the Right of Publicity is the very identity or persona of the plaintiff as a human being . . . While copyright in a given photograph may be owned by the person depicted in it, the exact image in that photograph is not the underlying "right" asserted in a Right of Publicity case. To argue that the photograph is identical with the person is to confuse illusion and illustration with reality. Thus, assertion of infringement of the Right of Publicity because of defendant's unpermitted commercial use of a picture of plaintiff is not assertion of infringement of copyrightable "subject matter" in one photograph of plaintiff.

McCarthy, *Rights of Publicity and Privacy* § 11.13[C] at 11-72-73 (1997).

A recent case in the Fifth Circuit held that the Texas tort of misappropriation, which provides protection from the unauthorized appropriation of one's name, image, or likeness was not preempted by the Copyright Act. *See Brown v. Ames*, 201 F.3d 654, 661 (5th Cir. 2000). The case involved a record company's misappropriation of the names and likenesses of individual musicians, song writers, and music producers on the company's CD's, tapes, catalogs, and posters. *See id.* at 656-57. The court stated that "the tort of misappropriation of a name or likeness protects a person's persona. A persona does not fall within the subject matter of copyright." *Id.* at 658.

Thus, the court held that § 301 preemption does not apply.

A similar result was reached in a case decided by a California Court of Appeal, *KNB Enterprises v. Matthews*, 78 Cal. App. 4th 362 (Ct. App. 2000). The California Court of Appeal held that the state law right of publicity claims were not preempted by the Copyright Act. *See id.* at 374-75. The copyright owner of erotic photographs, which had been displayed without authorization and for profit on an Internet website, brought suit against the website's operator asserting a misappropriation claim under California Civil Code § 3344. *See id.* at 365-66. The court applied the two-part test for determining preemption and found that neither condition had been met. *See id.* at 374. The court found that "because a human likeness is not copyrightable, even if captured in a copyrighted photograph, the models' section 3344 claims against the unauthorized publisher of their photographs are not the equivalent of a copyright infringement claim and are not preempted by federal copyright law." *Id.* at 365.

We agree with the approach taken by the Fifth Circuit and the reasoning employed in *KNB Enterprises*. The subject matter of Appellants' statutory and common law right of publicity claims is their names and likenesses. *See Newcombe*, 157 F.3d at 691. A person's name or likeness is not a work of authorship within the meaning of 17 U.S.C. § 102. This is true notwithstanding the fact that Appellants' names and likenesses are embodied in a copyrightable photograph. The same concept is specifically embodied in 17 U.S.C. § 103, which provides that the

copyright in derivative works extends only to the material contributed by the author as distinguished from pre-existing material employed in the work.[4]

The second requirement for copyright preemption as noted above is that the right asserted under state law must be equivalent to the exclusive rights contained in § 106 of the Copyright Act. This requirement also is not met. Because the subject matter of the Appellants' statutory and common law right of publicity claims is their names and likenesses, which are not copyrightable, the claims are not equivalent to the exclusive rights contained in § 106.

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[4] Abercrombie relies on the California case of *Fleet v. CBS*, 50 Cal. App. 4th 1911 (Ct. App. 1996). This case was distinguished by both the Fifth Circuit in *Brown*, 201 F.3d at 658, and the California Court of Appeals in *KNB Enterprises*, 78 Cal. App. 4th at 370-71. In *Fleet*, the plaintiffs were actors in a copyrighted film. The claims of the plaintiffs were based on their dramatic performance in a film CBS sought to distribute. The court stated: We agree that as a general proposition Civil Code section 3344 is intended to protect rights which cannot be copyrighted and that claims made under its provisions are usually not preempted. But appellants' analysis crumbles in the face of one obvious fact: their individual performances in the film White Dragon were copyrightable. Since their section 3344 claims seeks only to prevent CBS from reproducing and distributing their performances in the film, their claims must be preempted by federal copyright law.

Fleet, 50 Cal. App. 4th at 1919. This is clearly distinguishable from this case where the Appellants' claim is based on the use of their names and likenesses, which are not copyrightable.

III. Choice of Law

We review de novo a district court's decision concerning the appropriate choice of law. *Abogados v. AT&T, Inc.*, 223 F.3d 932 (9th Cir. 2000). "In reviewing the factual findings that underlie the choice of law determination, this court must apply the clearly erroneous standard." *Contact Lumber Co. v. P.T. Moges Shipping Co., Ltd.*, 918 F.2d 1446, 1450 (9th Cir. 1990).

Applying choice of law principles, the district court dismissed Appellants' statutory misappropriation claim as to the five Appellants who reside in Hawaii: George Downing, Rick Steere, Richard Keaulana, Ben Aipa, and Joey Cabell. We conclude that the district court erred in dismissing these claims.

In a diversity case, "federal courts apply the substantive law of the forum in which the court is located, including the forum's choice of law rules." *Insurance Co. of North Am. v. Federal Express Corp.*, 189 F.3d 914, 921 (9th Cir. 1999). This action was brought in a district court in California. Therefore, we look to the choice of law rules applied in that state.

California applies a three-step "governmental interest" analysis to choice-of-law questions: (1) "the court examines the substantive laws of each jurisdiction to determine whether the laws differ as applied to the relevant transaction", (2) "if the laws do differ, the court must determine whether a true conflict' exists in that each of the relevant jurisdictions has an interest in having its law applied", and (3) "if more than one jurisdiction has a legitimate interest . . . the court [must] identify and apply the law of the state whose interest would be more

impaired if its law were not applied." *Abogados*, 223 F.3d at 934; *Liew v. Official Receiver & Liquidator*, 685 F.2d 1192, 1196 (9th Cir. 1982). Only if both states have a legitimate but conflicting interest in applying its own law will the court be confronted with a "true conflict" case. *See Insurance Co. of North Am.*, 189 F.3d at 921.

The California Supreme Court's decision in *Hurtado v. Superior Court*, 522 P.2d 666 (Cal. 1974), is the primary case setting forth California's choice of law rules and analyzing the approach to be taken in determining the interest of each jurisdiction in enforcing its own law. In that case, a wrongful death action had been brought in California, where the automobile accident causing the death had occurred. The plaintiffs were residents of Mexico and the defendants residents of California. Mexican law placed a limitation on the amount that could be received in a wrongful death action (24,334 pesos or $1,946.72) whereas California law provided no such limitation. *See id.* at 668. The California Supreme Court stated:

> generally speaking the forum will apply its own rule of decision unless a party litigant timely invokes the law of a foreign state. In such event he must demonstrate that the latter rule of decision will further the interest of the foreign state and therefore that it is an appropriate one for the forum to apply to the case before it. In the case at bench, California as the forum should apply its own measure of damages for wrongful death, unless Mexico has an interest in having its measure of damages applied.

Id. at 670 (citations omitted). In assessing the interest of California in applying its law the Court stated:

> It is manifest that one of the primary purposes of a state in creating a cause of action in the heirs for the wrongful death of the decedent is to deter the kind of conduct within its borders which wrongfully takes life. It is also abundantly clear that a cause of action for wrongful death without any limitation as to the amount of recoverable damages strengthens the deterrent aspect of the civil sanction: the sting of unlimited recovery . . . more effectively penalize(s) the culpable defendant and deter(s) it and others similarly situated from such future conduct.

Id. at 672 (internal quotations and citations omitted). The court went on to emphasize that the interest in deterrence of conduct extends to "all persons within its borders." *Id.* at 584.

With regard to the interest Mexico had in applying its law, the California Supreme Court stated that "[t]he interest of a state in a tort rule limiting damages for wrongful death is to protect defendants from excessive financial burdens or exaggerated claims. [A] state by enacting a limitation on damages is seeking to protect its residents from the imposition of these excessive financial burdens." *Id.* at 670 (citations omitted). The California Supreme Court then summarized its holding:

> To recapitulate, we hold that where as here in a California action both this state as the forum and a foreign state (or country) are potentially concerned in a question of choice of law with respect to an issue in tort and it appears that the foreign state (or country) has no interest whatsoever in having its own law applied, California as the forum should apply California law.

Id. at 671.

The California Supreme Court's ruling in the *Hurtado* tort case is directly applicable to this case. Abercrombie distributed its Spring Quarterly in California, and any misappropriation of the names and likenesses of the Appellants would have occurred there. As the court stated, one of the primary purposes of creating a cause of action in tort is to deter misconduct within its borders by persons present within its borders. By distributing its catalog within California, Abercrombie was operating within its borders.

Hawaii, on the other hand, like Mexico in *Hurtado*, had no interest in limiting the extent of relief that its residents could obtain for a wrongful act against them in California. It is even more clear in this case because Hawaii did not place any limitation on recovery; instead it simply did not provide for the extent of relief California does in this type of action. It is pure fancy to believe that Hawaii would wish to restrict its residents from recovery that others could obtain in California solely because it had not enacted a statute like California's to complement its common law action for the same offense. Hawaii had no interest in having its law applied to this action brought in California.

The California Supreme Court has made it clear that when California has an interest in enforcing its law within its borders and a foreign state (in this case Hawaii) has no interest in having its law applied, then the law of California should be applied. In this case, there is no "true conflict" of Hawaii law with California law, and thus the district court erred when it applied Hawaii law

to some claims. California law is applicable to all of Appellants' claims.

IV. Lanham Act

Appellants contend that the district court erred in denying their claim under section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). In relevant part section 43(a)(1)(A) provides:

> [A]ny person who, or in connection with any goods or services, uses any . . . false or misleading representation of fact, which . . . is likely to cause confusion, or to cause mistake, or deceive as to the affiliation, connection or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

In several past cases involving celebrity plaintiffs we have looked to our decision in *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979), for the appropriate factors to consider in determining whether there exists a likelihood of confusion. The factors enumerated in *AMF* are:

1. strength of the plaintiff's mark;
2. relatedness of the goods;
3. similarity of the marks;
4. evidence of actual confusion;
5. marketing channels used;

6. likely degree of purchaser care;

7. defendant's intent in selecting the mark; and

8. likelihood of expansion of the product lines.

AMF, 599 F.2d at 348-49.

In our celebrity cases using the *AMF* factors we have adapted these factors so as to be applicable to the celebrity cases. We noted that the term "mark" applies to the celebrity's persona, the "strength" of the mark refers to the level of recognition that the celebrity has among the segment of the public to whom the advertisement is directed, and the term "goods" concerns the reasons for or source of the celebrity's fame. *See White v. Samsung Elec. Am., Inc.*, 971 F.3d 1395, 1400-1401 (9th Cir. 1992).

It is perhaps clearer to restate the eight factors as applicable to the celebrity case, which can be stated as:

1. the level of recognition that the plaintiff has among the segment of the society for whom the defendant's product is intended;

2. the relatedness of the fame or success of the plaintiff to the defendant's product;

3. the similarity of the likeness used by the defendant to the actual plaintiff;

4. evidence of actual confusion;

5. marketing channels used;

6. likely degree of purchaser care;

7. defendant's intent on selecting the plaintiff; and

8. likelihood of expansion of the product lines.

Although these are all factors that are appropriate for consideration in determining the likelihood of confusion, they are not necessarily of equal importance, nor do they necessarily apply to every case.

"The Lanham Act's likelihood of confusion standard is predominantly factual in nature." *Wendt v. Host Int'l, Inc.* 125 F.3d 806, 812 (9th Cir. 1997). Thus, summary judgment is inappropriate when a jury could reasonably conclude that there is a likelihood of confusion. Application of the eight factors to the current action leads us to conclude that the district court erred in rejecting Appellants' Lanham Act claim at the summary judgment stage.

In applying the factors to this case we reach the following conclusions. First, in considering the recognition that the Appellants have among those persons toward whom the Abercrombie catalog is directed, Appellants cite to a declaration submitted by surf historian Steve Pezman. In the declaration, Pezman asserts that Appellants "are considered legends in the surf community and are still highly well-known and regarded." This declaration from a surf historian provides some evidence that Appellants' names and images enjoy a high level of recognition among average members of society as a whole. In addition, it is undisputed that Appellants are legendary surfers, and thus there is a reasonable inference that Appellants would be known to the young people to whom the Quarterly is directed and who would be purchasing Abercrombie's surf wear.

The second factor is the relatedness of the Appellants' fame and success to the Defendant's product.

Appellants' fame is due to their surfing success. Appellants' surfing success could be seen as closely-related to the Abercrombie's surf-related clothing.

Applying the third factor, the similarity of the likeness, to the Appellants is clear because it is an actual photograph of the Appellants with their names designated.

The fourth factor, evidence of actual confusion, also supports Appellants' position. Appellants provided declarations demonstrating that several individuals actually believed that Appellants were endorsing Abercrombie merchandise.

Under the fifth factor, marketing channels used, the catalog was the only marketing channel. It is therefore the likelihood of confusion in that marketing channel that is at issue.

In applying the sixth factor, the inquiry is whether consumers are likely to be particularly careful in determining who endorses the Abercrombie surf apparel, making confusion as to Appellants' endorsement more likely. A jury could reasonably find that young consumers are not likely to be particularly careful when purchasing surf-related clothing.

As to the seventh factor, the relevant question is whether the Defendants intended to profit by confusing consumers concerning the endorsement of the Abercrombie apparel. A jury could reasonably find that Abercrombie intended to indicate to consumers that these legendary surfers were endorsing Abercrombie's merchandise.

The eighth factor is the likelihood of expansion of the product lines. Neither party discusses this factor, however, no evidence has been produced that Abercrombie intends to utilize these photographs in additional product lines.

Application of these factors, leads us to conclude that the district court erred in rejecting Appellants' Lanham Act claim at the summary judgment stage. Viewing the evidence in the light most favorable to Appellants, we conclude that Appellants have raised a genuine issue of material fact concerning a likelihood of confusion as to their endorsement.

V. Doctrine of Nominative Fair Use

The district court concluded that Appellants' Lanham Act claim was barred by the doctrine of nominative fair use. In support of its position that the district court was correct in concluding that Appellants' Lanham Act claim was barred, Abercrombie relies upon *New Kids on the Block v. News America Publishing, Inc.*, 971 F.2d 302 (9th Cir. 1992). In *New Kids*, two newspapers conducted "900" number telephone polls concerning their readers' reactions to the musical group "New Kids on the Block." The newspapers charged their readers 95 cents per minute to respond to the poll. The band, which had its own competing "900" numbers for its fans, filed Lanham Act claims against the two newspapers. *See id.* at 304-05. The district court granted summary judgment for the defendant newspapers on First Amendment grounds. *See id.* at 305. On appeal, we affirmed on a non-constitutional ground, as appropriate when the constitutional issue can be

avoided. We concluded that the newspapers' use of the band name constituted a nominative fair use. *See id.* at 309.

We found that where the defendant uses a trademark to describe the plaintiff's product rather than its own product, a commercial user is entitled to a nominative fair use defense provided the defendant meets three requirements:

> 1. the product or service in question must be one not readily identifiable without use of the trademark;
>
> 2. only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and
>
> 3. the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.

Id. at 308. Applying the three-part test, we concluded that the newspaper was entitled to the nominative fair use defense. *See id.* at 308-309.

Abercrombie argues that its use of the photograph was nominative fair use in the same manner as the defendants' purported infringement in *New Kids*. We disagree. In *New Kids*, we stated that the test applies only "where the defendant uses a trademark to describe the plaintiff's product, rather than its own." *Id.* at 308. Here, Abercrombie used the photograph in its catalog that was intended to sell its goods. As we have noted in this case involving a celebrity endorsement claim, the mark being protected is the Appellants' names and pictures. There is a genuine issue of material fact as to whether the third criterion is

met, whether Abercrombie did nothing that would in conjunction with the Appellants' names and pictures suggest sponsorship or endorsement by the Appellants.

VI. Defamation Claim

Appellants contend they were defamed by Abercrombie's publication of the photograph in the "Surf Nekkid" section of the Quarterly. Specifically, they maintain that inclusion of their names and likenesses in a section depicting naked and scantily clothed models caused them shame and embarrassment.

Under California Civil Code § 45a, Appellants may only prevail on a libel claim if the publication is (1) libelous on its face, or (2) if special damages have been proven. *See Newcombe*, 157 F.3d at 694. A publication is libelous on its face only if there is no need to have explanatory matter introduced. *See* Cal. Civ. Code § 45a. The determination as to whether a publication is libelous on its face is one of law, and must be measured by "the effect the publication would have on the mind of the average reader." *Newcombe*, 157 F.3d at 695.

To support their argument that inclusion of the photograph was libelous on its face, Appellants provide three declarations. However, all three declarations are from lifetime surfers and leaders in the surf industry. The declarations do not provide evidence that an average person viewing the Quarterly would think it defamatory if Appellants' picture was included in a section in which nude models were shown. Thus, Appellants fail to satisfy the first requirement under California Civil Code § 45a that the publication is libelous on its face.

In order to satisfy the alternate requirement, Appellants must allege and prove that they suffered special damages as a proximate result of the publication of the photograph. *See id.* at 695. Special damages are defined as "all damages which plaintiff alleges and proves that he has suffered in respect to his property, business, trade, profession or occupation, including such amounts of money as the plaintiff alleges and proves he has expended as a result of the alleged libel, and no other." Cal. Civ. Code § 48a(4)(b). Appellants did not submit any evidence demonstrating that they incurred special damages due to Abercrombie's publication of the photograph. Thus, Appellants failed to meet either requirement under California Civil Code § 45a. Accordingly, we conclude that the district court did not err in denying the Appellants' defamation claim.

VII. Continuance

Because we reverse the summary judgment, we need not address the issue the Appellants raise concerning the district judge's denial of a continuance.

VIII. Attorneys' Fees

California Civil Code § 3344(a) mandates the award of attorneys' fees and costs to the "prevailing party" in actions brought under the section. *See Newton v. Thomason*, 22 F.3d 1455, 1464 (9th Cir. 1994). Because we reverse the judgment of the district court, the district court's award of attorneys' fees and costs to Abercrombie under California Civil Code § 3344 is vacated.

IX. Conclusion

Neither the California state law claims or the Lanham Act claim are precluded by the First Amendment; the California state claims are not preempted by the federal Copyright Act; the proper choice of law to apply to these claims is California law; there is insufficient evidence to support the defamation claim; and the attorneys' fee award is vacated.

REVERSE AND REMAND FOR TRIAL.

Supreme Court, U.S.
FILED
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(3)

No. 01-368

In The

Supreme Court of the United States

GARY SADERUP, an individual, and
GARY SADERUP, INC., a California corporation,

Petitioners,

v.

COMEDY III PRODUCTIONS, INC.,
a California corporation,

Respondent.

On Petition For A Writ Of Certiorari To The Supreme Court Of California

REPLY TO BRIEF IN OPPOSITION

Of Counsel:
EDWARD C. WILDE SR.
BRAND L. COOPER
COOPER, KARDARAS
& KELLEHER LLP
141 East Walnut Street
Pasadena, CA 91103-3834
(626) 795-0814

STEPHEN R. BARNETT
Counsel of Record
Boalt Hall
College & Bancroft
Berkeley, CA 94720
(510) 654-5394

Attorneys for Petitioners

COCKLE LAW BRIEF PRINTING CO., (800) 225-6964
OR CALL COLLECT (402) 342-2831

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REPLY TO BRIEF IN OPPOSITION

1. *The Downing Case.* Respondents' only attempt to deny that the California Supreme Court's decision in this case conflicts with the Ninth Circuit's decision in *Hoffman v. Capital Cities/ABC, Inc.*, 255 F.3d 1180 (9th Cir., July 6, 2001), is based on the Ninth Circuit's recent ruling in *Downing v. Abercrombie & Fitch*, 265 F.3d 994 (9th Cir., Sept. 13, 2001) (Appendix to the Brief in Opposition (Opp. App.)). *See* Opp. 11, 14-16.[1] The attempt fails.

Downing involved a photograph of several champion surfers that Abercrombie & Fitch bought and used, with the surfers' names, to illustrate an article in Abercrombie's subscription catalog, its "largest advertising vehicle" (Opp. App. 3). Distinguishing a case involving a documentary video on surfing (*Dora v. Frontline Video, Inc.*, 15 Cal.App. 4th 536 (1993)), the Ninth Circuit found that Abercrombie had used the photo "essentially as window-dressing" and held that Abercrombie's use of the photo was not protected by the First Amendment. Opp. App. 9-10. The court distinguished *Hoffman*:

> In contrast to the present case, where Abercrombie, itself, used Appellants' images in its catalog to promote its clothing, L.A. Magazine was unconnected to and received no consideration from the designer for the gown depicted in the article. Further, while L.A. Magazine merely referenced a shopping guide buried in the back of the magazine that provided stores and prices for the gown, Abercrombie placed the Appellants' photograph on the page immediately preceding the "Final Heat

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[1] Respondents say *Downing* was decided March 7, 2001 (Opp. iv, 11) – in which case it should have been discussed in the Petition, filed August 29, 2001. Respondents err. *Downing* was "Argued and Submitted" March 7, 2001, but was decided September 13, 2001. Opp. App. 1, 2. (Nor did Petitioners deem that this plainly distinguishable case, issued midway through the briefing process, warranted a Supplemental Brief.)

> Tees"[2] for sale. Based on these factors, we conclude that Abercrombie's use was much more commercial in nature and, therefore, not entitled to the full First Amendment protection accorded to L.A. Magazine's use of Hoffman's image. [Opp. App. 10 n. 2 (page citations omitted).]

Abercrombie's use of the surfers' photo thus was denied First Amendment protection because it was "much more commercial" than the use of Hoffman's photo by *L.A. Magazine*. The present case plainly is closer to *Hoffman* than to *Downing*. As the California Supreme Court held, "Saderup's portraits of The Three Stooges are expressive works and not an advertisement for or endorsement of a product," and hence "the present case does not concern commercial speech." Pet. A-10. *Downing* did. While Saderup's portraits were "not an advertisement for . . . a product," the surfers' photo as used in Abercrombie's catalog essentially was.

If this case had been litigated in the federal courts in California, then, the Ninth Circuit would have applied the rule of *Hoffman*, not the rule of *Downing* – the rule for noncommercial speech, not the rule for essentially commercial speech.[3] And Petitioners would have in the Ninth

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[2] These were T-shirts like those worn by the surfers in the photograph. Opp. App. 4.

[3] In averring that "[t]here is no uncertainty with respect to the right of publicity" (Opp. 10), Respondents see certainty where others see "rolls of the dice." *See* Ashlea Ebeling, "Publicity Shy," Forbes Magazine, Sept. 17, 2001, page 90:

> . . . The heirs of the Three Stooges don't want their mugs on T shirts. Their weapon? Right-of-publicity laws, which give people the right to control the use of their identity. The laws were meant to apply to commercial uses – that's why General Mills needs permission to put Michael Jordan on Wheaties boxes.
>
> But now celebrities and their heirs, flush with success against advertisers, are mounting a legal offensive against unauthorized nonadvertising uses

Circuit constitutional protection that they have been denied in California.

2. *Scope and Impact of the Decision.* Respondents strikingly confirm the scope of the California Supreme Court's decision and its potentially lethal impact not only on portrait art, but also on photography.

In the Petition we noted the threat to photography: "If Saderup's freehand drawing of the Stooges was not sufficiently "transformative" under the California court's test, it is hard to see how most photographs will fare any better with the court." Pet. 22. Respondents acknowledge and celebrate this result.[4] They see in this, not a danger to an important form of communication, visual art, and

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> of their images, such as on T shirts or in magazines. So far courts are sharply divided. The issue: Does the right of celebrities to control their images trump the First Amendment right of artists and media companies to free speech?
>
> In the latest big celebrity win, the California Supreme Court ruled in June against portrait artist Gary Saderup. He sold prints and T shirts bearing a charcoal image of the Stooges. Isn't this just an artist at work? Not to the court, which turned art critic and said Saderup's work is not "transformative," but merely a "literal, conventional" depiction that exploits the Stooges' fame. Yet a celebrated portrait artist like Andy Warhol might not face the same fate, the court suggested, saying his "ironic social comment" goes beyond commercial exploitation.
>
> . . . .
>
> Unless the Supreme Court clears up the battle, artistic portrayals of celebrities will remain rolls of the dice.

[4] "The fact that the images in this matter were not photographs but were charcoal drawings is irrelevant as the Petitioners point out at length." Opp. 4; *see also id.* n. 4 (Cal. Civil Code sec. 990(a) "specifically applies to photographs").

history, but "an express argument on behalf of the *paparazzi*." Opp. 4.

Respondents ask "why celebrities or celebrities' heirs should be less deserving of this property right than the *papparazzi* [*sic*]." Opp. 5. The principal answer is that *paparazzi* are photographers who create and author photographs,[5] just as Gary Saderup is a portrait artist who created the drawing at issue here. For Respondents, the photographers and artists who create the works are simply "another group of people who happen to come into the possession of a photograph or drawing of a celebrity." Opp. 5. The effect of the California Supreme Court's decision in transferring rights in photos from photographers and artists to celebrities and their heirs could hardly be made more clear.

In the Petition we also pointed out that "[t]he photo-stock-house industry, whose business is the sale of photos – the subjects of which often include celebrities – would seem at risk." Pet. 22-23 (footnote omitted). Respondents reply, "Why would that be a bad result?" Opp. 4.[6] They deride the idea that "anyone who can press a button on an automatic camera and take a photograph of any celebrity" (*id.*) may sell the photograph without the celebrity's consent, just as they deny that Gary Saderup's freehand drawing gives him that right. Opp. 6-7.[7]

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[5] Copyrightability of photographs and authorship in the photographer are recognized by copyright law. *See* 17 U.S.C. secs. 102(a)(5), 101; *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 60 (1884).

[6] Respondents do not say whether they also applaud the threat to the business of autograph dealers. *See* Pet. 23 n.28.

[7] Respondents argue that Petitioners, instead of stipulating to the facts, could have gone to trial on whether people bought Saderup's charcoal drawings because they "simply wanted a picture of the Three Stooges." Opp. 6; *see* also Opp. 24. Respondents, of course, equally could have gone to trial on the issue. Respondents bring in the fact that basketball player

One reason why garroting photo stock houses and other photo archives would be a bad result is that photographs are an invaluable part of our communications, culture, and consciousness, an irreplaceable record of our society and world.[8] This includes photos of celebrities.[9] If photos belong not to the photographers but to persons photographed, and to the heirs of those persons, then the celebrities and their heirs can control, edit, censor, and curtail this record. Even if the celebrities or their heirs do no more than demand royalties, the funds they exact must come out of the economic reward that copyright law assigns to the photographers in order to promote the creation of photographs.

Another reason for protecting photographs and photo archives rests on the realistic needs of the First Amendment. Although Respondents assert that Section 990's exemptions protect "most uses of a celebrity's image where there could be a First Amendment concern" (Opp. 8),[10] Respondents fail to confront the fact that even

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Shaquille O'Neal was an original co-plaintiff who "settled with Petitioners in the trial court." Opp. 6 n.8. They omit that this was a settlement in which O'Neal took nothing. *See* J.A. 116 ("It is a walk-away.")

[8] Section 990(i) defines a "photograph" to include "any video tape or live television transmission."

[9] Although we speak for convenience of "celebrities," the right of publicity as extended in this case may well apply to any person photographed if the photo has value. *See* Cal. Civil Code sec. 990(h) ("deceased personality" defined as "any natural person whose name, voice, signature, photograph, or likeness has commercial value at the time of his or her death"). *See KNB Ents. v. Matthews,* 78 Cal.App.4th 362, 393 n.12 (2000) ("under California law, the statutory right of publicity exists for celebrity and non-celebrity plaintiffs alike").

[10] Respondents' appreciation of First Amendment concerns excludes visual art. Respondents repeatedly ask "what the First Amendment interest is" in Saderup's drawings (Opp. 14, 18) while ignoring *Bery v. City of New York,* 97 F.3d 689 (2d Cir. 1996),

exempted uses, such as use of photos in a "magazine" or "newspaper" (Cal. Civil Code sec. 990(n)(1)), will be undermined if photo archives, stock houses, and other sources of photographs are made to dry up. Respondents do not deny that the statutory exemptions would not protect the photographer, stock house, archive, or other person who previously sells the photo without knowing the eventual use. *See* Pet. 22-23 & n.27. Yet the right to publish a celebrity's photograph in a magazine loses substance if the sources of such photos are constricted.[11] And given the enormous increase in the distribution of photos and other visual art through the Internet, the stakes involved in this push for ownership of photographs by celebrities and celebrities' heirs are great.[12]

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cert. denied, 520 U.S. 1251 (1997), and other cases that recognize First Amendment protection for visual art.

[11] For example, in *Downing* (Opp. App.), the plaintiff surfers apparently sued only Abercrombie & Fitch, which used their photo in its catalog. But Abercrombie had bought the photo from "surf photographer LeRoy Grannis." Opp. App. 4. Under the holding here of the California Supreme Court, Grannis apparently could also be sued and held liable for having sold the surfers' photos. The same might be true in *Hoffman* of whoever sold to *L.A. Magazine* the photo of Dustin Hoffman from "Tootsie."

[12] For an example of a photo archive, *see* N.Y. Times, Oct. 16, 2001 (nat'l ed.), p. A21 (full-page ad for "six million-image" New York Times Photo Archives, featuring "Joltin' Joe Photo Collection" consisting of five photographs of Joe DiMaggio published in the Times). The sale of these photos and others from the Times Photo Archives may be protected by provisions of New York law, notably that New York's right of publicity does not survive the celebrity's death. *E.g.*, *Smith v. Long Island Jewish-Hillside Medical Ctr.*, 118 A.D.2d 553, 554, 499 N.Y.S.2d 167, 168 (1986); J. Thomas McCarthy, The Rights of Publicity and Privacy (2d ed.), sec. 6:93 (2001) (McCarthy). In California, under the decision in this case, such an archive might well not be protected against claims by pictured celebrities or their heirs until 70 years after the celebrity's death.

3. *First Amendment Limitations.* Since Respondents view this case as involving the attempted "confiscation" by artists and photographers of a "property right belonging to celebrities and celebrities' heirs" (Opp. 4-5),[13] they see no need for the courts to balance the right of publicity against the First Amendment in any way beyond the test of artistic merit applied by the California Supreme Court. The First Amendment requires a better balance than that, a true and full weighing of the competing claims. This was done for privacy interests in last Term's *Bartnicki* decision.[14] It is done for speech that is plainly commercial.[15] It is done for copyright, by means of limitations built into copyright law (including the noncopyrightability of facts).[16] It is done for regulation of street sales of visual art.[17] And it was done for the right of publicity in *Cardtoons*,[18] where the court found itself required to "directly balance the magnitude of the speech restriction against the asserted governmental interest in protecting the intellectual property right."[19]

Respondents ask why this Court should apply a strict scrutiny test to the right of publicity. Opp. 21. An adequate

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[13] The claim of course begs the question, which is whether the asserted state law "property right" comports with the Constitution. *Compare Int'l News Service v. Associated Press*, 248 U.S. 215, 250 (1918) (Brandeis, J., dissenting).

[14] *Bartnicki v. Vopper*, ___ U.S. ___, 121 S.Ct. 1953 (2001).

[15] *E.g., Central Hudson Gas & Elec. Corp. v. Public Serv. Comm'n of New York*, 447 U.S. 557, 566 (1980); *Greater New Orleans Bortg, Ass'n v. United States*, 527 U.S. 173, 183 (1999).

[16] *See Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 559 (1985); *Feist v. Rural Telephone Service Co.*, 499 U.S. 340, 347-348 (1991).

[17] *Bery v. City of New York*, 97 F.3d 689, 697-99 (2d Cir. 1996), *cert. denied*, 520 U.S. 1251 (1997).

[18] *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959 (10th Cir. 1996).

[19] *Id.* at 972.

answer would be that the speech is noncommercial and the right of publicity is content-based. *See, e.g., Reno v. ACLU*, 521 U.S. 844, 879 (1997). But if any balancing test is appropriate – as distinct from simple recognition that an artist's drawing, whether or not reproduced in copies, is protected speech – it would suffice to apply the "narrow tailoring" test for content-*neutral* regulations that was applied in *Bery*. 97 F.3d at 697-699; *see, e.g., Ward v. Rock Against Racism*, 491 U.S. 781, 791 (1989).[20] Such a balancing test should take into account, among other things, the social value of the publicity interest, especially when embalmed in a post mortem right extending 70 years after the celebrity's death;[21] the "commerciality" of the speech (*see Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 585 (1994)), especially whether it involves a use in advertising; the strength of the publicity and speech interests in a case involving, not use of celebrity's likeness in advertising or on any product, but sale of the likeness itself; the impact on constitutionally-protected visual art, photography in particular; and the impact on the federal interest in copyright when copyrighted works are held actionable under

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[20] *Cf.* Neil Weinstock Netanel, *Locating Copyright Within the First Amendment Skein*, 54 Stan.L.Rev. 1 (2001); *id.* at 39 ("Where property rights are not in land, but in information, expression, or communicative capacity, they are more properly characterized as speech regulations"); *id.* at 54 ("Copyright Falls Within a Sub-Category of Content-Neutral Regulation Requiring Rigorous Scrutiny Under *Turner*").

[21] Respondents say "[a]ny argument that intellectual property rights should die with the author would apply to the law of copyright, patent, and even trademark as well as the right of publicity." Opp. 23 n.26. But all intellectual property rights are not created equal (*see, e.g.*, the different terms for copyright and patent); there is no reason why they should not be treated differently. *See* Restatement , *supra*, sec. 46, Comment h ("the dignitary and proprietary interests that support the recognition of a right of publicity become substantially attenuated after death"); *accord, id.* sec. 47, Comment d.

state law and made subject to heavy damages (including punitives).[22] Balancing required by the First Amendment assuredly is not adequately provided by the rational basis test. Pet. A-17.[23]

With or without the framework supplied by an appropriate balancing test, the Court should proceed to more categorical ways of applying the First Amendment to limit the right of publicity. These would include:

(1) As an article cited by Respondents proposes, courts and legislatures, "[i]n reconfiguring the right of publicity," should "inject a requirement that the celebrity prove likelihood of consumer confusion as to whether the celebrity plaintiff endorsed the product, service, or business being promoted in the defendant's commercial use." Arlen W. Langvardt, *The Troubling Implications of a Right of Publicity "Wheel" Spun Out of Control*, 45 U.Kan.L.Rev. 329, 443 (1997).

(2) The right of publicity at least should be rolled back to its original "commercial" uses, consisting of uses in advertising or *on* products, and stopped short of the present claim that the likeness *is* the product ("the product

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[22] In denying the possibility of copyright preemption, Respondents cite *Brown v. Ames*, 201 F.3d 654 (5th Cir. 2000), as having "rejected such a contention." Opp. 11 n.14. The court in *Brown*, in upholding a claim by musicians and songwriters for unauthorized use of their names and likenesses in marketing their recorded performances, stipulated that it was rejecting the defense of conflict preemption only because the defendants lacked authority to market the recordings, "whether through copyright or the public domain." *Id.* at 660; see also 661.

[23] This Court's *Zacchini* decision (*Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562 (1977)), relied on by Respondents (Opp. 19-20), is more accurately called a "right of performance" than a "right of publicity" case. *See* Douglas G. Baird, Note, *Human Cannonballs and the First Amendment*, 30 Stan.L.Rev. 1185, 1186 n.7 (1978); Michael Madow, *Private Ownership of Public Image: Popular Culture and Publicity Rights*, 81 Cal.L.Rev. 127, 209 n.395 (1993).

consists of the likeness," Pet. A-9 n.6).[24] This approach would recognize that, although visual art by its nature generally involves tangible media, this fact does not convert artistic expression into a product; what is being sold is speech. It also would avoid the constitutional problem of a property right conferred by state law in the uncopyrightable fact-of-nature that is one's appearance. *See* Pet. 25 n.34.

(3) The Court should approve the rule of the Ninth Circuit in *Hoffman* that when the speech is not commercial, its use of a celebrity's name or likeness cannot support liability to a public figure without proof of actual malice. *See* Pet. App. F-10.

(4) Leaving other possible limits for the future, the Court should take a first step in cabining the right of publicity by adopting as a constitutional requirement the view of the thirty-three States[25] that recognize no post mortem right of publicity.[26]

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

Of Counsel:
EDWARD C. WILDE SR.
BRAND L. COOPER

STEPHEN R. BARNETT
Counsel of Record

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[24] Respondents mask their claim in the traditional trappings. They say Section 990 does no more than require celebrities' heirs' permission to use their ancestors' likeness "on an advertisement or on products" and they speak of placing the celebrity's photo "on merchandise." Opp. 10, 4.

[25] *See* McCarthy, *supra*, sec. 9:19 (17 states recognize postmortem right of publicity).

[26] This would be appropriate not only because publicity interests become "substantially attenuated after death" (Restatement, *supra*, sec. 46, Comment h), but also because, as Respondents stress (Opp. 18-19), the right of publicity arose out of the right of privacy. The right of privacy traditionally has "no postmortem duration." McCarthy, *supra*, sec. 9:1.